Strategic Support CSA

Core Service: Administer Retirement Plans

Retirement Services Department

Core Service Purpose

Implement policies and procedures to deliver retirement benefits and maintain the retirement plans.

Key Operational Services:

- ☐ Supervise Investment of Plan Assets
- ☐ Provide Retirement Planning & Counseling
- ☐ Administer Retirement Benefits
- ☐ Analyze, Develop & Recommend Retirement Policy

Performance and Resource Overview

The purpose of the "Administer Retirement Plans" Core Service is twofold. One purpose is to deliver retirement benefits to the retired employees of the City of San José and educate and market the retirement plan to active and future employees. The other purpose is to maintain fiscally sound retirement plans. The Administer Retirement Plans Core Service supports the Strategic Support CSA outcome of *A High Performing Workforce that is Committed to Exceeding Internal and External Customer Expectations.* The Retirement Services Department is organized into the following operational services, which are keys to meeting the mission of the core service:

Supervise Investment of Plan Assets

To maintain a fiscally sound plan, Retirement Services staff supervises the investment of assets in the retirement plans. There are two separate funds, one for the Police and Fire Department Retirement Plan (P&F) and the other for the Federated City Employee Retirement System (FCERS). The investment team monitors the external investment managers and ensures that they comply with the Retirement Boards' investment policies and guidelines. Currently, the investment team oversees $4.3 billion in assets, including eight real estate properties in six states. This is a change from 2005-2006 assets of $3.9 billion and nine real estate properties in seven states. Strong relationships are established and maintained between staff and the various investment managers, custodian banks, and financial consulting firms in order for staff to effectively administer the retirement plans and report on their performance to the Retirement Boards.

As of June 30, 2006, the investment program produced a rate of return of 14.3% for P&F and 10.8% for FCERS, which exceeded the actuarial assumed rate of return of 8% for P&F and 8.25% for FCERS. The median return for public pension plans was 9.4%. Results were achieved within the policy risk levels for the plans. The priority during the year was to move closer to real estate and private equity allocation by hiring new managers for FCERS, while the P&F Plan continued to monitor manager performance and made steps to move closer to real estate allocation targets.

Supervise Investment of Plan Assets (Cont'd.)

Current targets are as follows:

	P&F	FCERS
Domestic Equities	34%	35%
International Equities	20%	15%
International Emerging Equities	5%	0%
Domestic Fixed income	20%	34%
Long Bonds	4%	0%
Global Fixed	0%	7%
Real Estate	12%	6%
Private Market Equities	5%	3%

In 2006-2007, staff monitored 100% of the portfolios for compliance with the Retirement Boards' Investment Policy Statement. For 2007-2008, the target for compliance will continue to be 100%.

Provide Retirement Planning and Counseling

The Department continues to provide individual retirement planning and counseling to active employees. Staff meets with prospective retirees and their spouses or domestic partners to facilitate a smooth transition into retirement. In 2006-2007, staff counseled 186 persons through the retirement process. In addition, the Department provides educational services and counseling to retired employees and their beneficiaries, such as a seven-week comprehensive course on retirement planning, lunchtime seminars, and an evening educational series (CHOICES).

Retirement Services continues to offer noon "brown bag" seminars that are designed to include topics of value for active employees and retirees. There are currently 20 different titles offered, and the information disseminated in the brown bags can be readily adapted to the attendees' current life phase. In 2006-2007, 57 brown bag classes were offered. Interest in the seminars was strong, with 1,130 employees attending classes. The Department was able to meet demand for these seminars by introducing new course sections, accommodating everyone who had signed up on the wait list. Staff has reviewed the seminar offerings and segregated them into Early Career and Mid-Career groupings and is working on a marketing plan to stimulate interest from younger workers to participate in these educational seminars. The goal of the marketing strategy is to provide younger workers with enough information early in their career so that they will be prepared to make decisions that will enhance their retirement. As demonstrated in the following chart, the Department anticipates offering 57 brown bag seminars in 2007-2008, consistent with 2006-2007 levels, and will strive to maintain success in accommodating everyone who has signed up on the wait list.

Core Service: Administer Retirement Plans

Retirement Services Department

Performance and Resource Overview (Cont'd.)

Provide Retirement Planning and Counseling (Cont'd.)

	2005-2006		Estimated 2006-2007		Forecast 2007-2008	
Brown Bag Classes Offered	46		57		57	
Total Enrolled	1,308	92%	1,825	92%	2,000	98%
Total on Wait List	120	8%	150	8%	50	2%
Total Enrollment Response	1,428		1,975		2,050	
Total Attended	831	64%	1,130	61%	1,400	70%
Total No Shows/Cancellations	477	36%	723	39%	600	30%
Total Enrolled	1,308		1,853		2,000	
Wait List Accommodated	106	88%	150	100%	50	100%
Wait List Not Accommodated	14	12%	0	0%	0	0%
Total Wait List	120		150		50	

Administer Retirement Benefits

The Department administers the retirement benefits, including providing retirement checks and direct deposits for retirees, enrolling retirees in the health and dental plans, and accounting for revenue and expenses for the retirement plans.

The cost measure of administrative costs per $1 million of assets compares City administration costs to the average cost of other, similar plans. For 2005-2006, the administration costs of City Plans were 20% below the average cost of other similar plans, meeting the target of plus or minus 10%. For 2006-2007, the target is set at plus or minus 10% of the average to other similar retirement plans and remains at that level in 2007-2008.

Retirement Services' website, www.sjretirement.com, continues to be a useful tool and source of current and historical information to members. In 2006-2007, the Department set up "online enrollment" for open enrollment as a pilot project. All members under the age of 65 were encouraged to enroll online. The Department increased the usefulness of the website to members and the investment communities by keeping them informed about issues related to managing the Plans' investment portfolios. In 2007-2008, the Department plans on expanding the open enrollment process to include all retirees.

Core Service: Administer Retirement Plans

Retirement Services Department

Performance and Resource Overview (Cont'd.)

Analyze, Develop and Recommend Retirement Policy

The Retirement Services Department also analyzes, develops and recommends retirement policy for the Boards. Recommendations are made on specific issues, policies and procedures. Each year the Retirement Boards' investment committees prepare a work plan with projects for the year. Projects may include reviewing the asset allocation of the plan, updating the investment policy and determining the added value and risk of a specific investment. For 2006-2007, staff completed projects in the agreed upon time frame 95% of the time, below the target of 97%. In 2007-2008, the target for completing projects within the time frame will be 96%.

For 2007-2008, a 0.50 Network Technician PT was converted to a 0.75 Network Technician PT to better support the networking needs for the Department. This increase will allow the Department to provide better customer service, such as document imaging services.

	Administer Retirement Plans Performance Summary	2005-2006 Actual	2006-2007 Target	2006-2007 Estimated	2007-2008 Target
🎯	% of employees that feel that Retirement Services had a positive impact on their ability to make decisions to achieve retirement goals	98%	95%	95%	97%
🎯	% of portfolios analyzed for compliance with investment policy	100%	100%	100%	100%
$	Admin. cost of City plans compared to similar plans	(20%)	+(10%)	+(10%)	+(10%)
🕒	Information needed by the Boards and members is delivered in the agreed upon time frame	94%	97%	95%	96%
🏅	% of Boards and members that rate department services as very good or excellent based on accuracy and usefulness of work	82%	90%	85%	85%

Changes to Performance Measures from 2006-2007 Adopted Budget: No

Core Service: Administer Retirement Plans

Retirement Services Department

Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2005-2006 Actual	2006-2007 Forecast	2006-2007 Estimated	2007-2008 Forecast
Number of active & retired members surveyed	49	150	100	150
Number of employees reporting a positive impact	48	143	95	145
Number of portfolios	38	40	46	46
Number of portfolios analyzed annually	38	40	46	46
Admin. Cost per $1 million of assets:				
-Combined City Plans	$4,750	$5,260	$5,370	$5,448
-Average of similar plans	$5,709	N/A	N/A	N/A
Assignments by Board members completed on time	98	87	78	89
Boards' assignments to be completed	6	3	4	4
Investment committee workplan projects	34	30	30	30

Changes to Activity & Workload Highlights from 2006-2007 Adopted Budget: No

Administer Retirement Plans Resource Summary	2005-2006 Actual 1	2006-2007 Adopted 2	2007-2008 Forecast 3	2007-2008 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	$ 2,297,502	$ 2,790,001	$ 2,953,537	$ 2,953,537	5.9%
Non-Personal/Equipment	N/A	N/A	N/A	N/A	N/A
Total	**$ 2,297,502**	**2,790,001**	**2,953,537**	**2,953,537**	**5.9%**
Authorized Positions	**24.48**	**25.48**	**25.73**	**25.73**	**1.0%**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
NONE			

Strategic Support CSA

Core Service: Debt Management

Finance Department

Core Service Purpose

Provide cost effective financing and insurance coverage for the City's capital assets.

Key Operational Service:

☐ Debt Management

Performance and Resource Overview

Debt Management refers to the financing and protection of the City's capital assets. This core service supports the Strategic Support CSA Outcome: *Sound Fiscal Management that Facilitates Meeting the Needs of the Community.* This outcome is supported by financing capital projects at the lowest possible cost.

Debt Management

The Debt Management operational service enhances the City's financial condition so it will continue to be strong and considered among the best managed cities of similar size. One measure of fiscal strength is the City's bond rating, and San José continues to be the highest rated city in California with a population over 250,000. These ratings enable the City to borrow money at the lowest possible interest rate, thus reducing costs to finance capital projects.

For example, through the passage of the Neighborhood Libraries and Parks and Recreational Facilities General Obligation Bond Measures in 2000, and the Neighborhood Security Act Bond Measure in 2002, the City issued general obligation bonds to finance the construction of new facilities and to improve existing facilities to serve residents.

In addition to general obligation bonds, the City issues lease revenue, airport revenue, and sewer revenue bonds to finance projects such as City Hall, the North Concourse at the Norman Y. Mineta San José International Airport, and improvements to the Water Pollution Control Plant. The City also facilitates construction of public infrastructure and affordable housing through issuance of special tax and special assessment bonds, multi-family housing revenue bonds, and housing set aside tax allocation bonds.

In 2007-2008, the Risk Management function and corresponding staffing (Administrative Manager, Office Specialist II, and a Senior Account Clerk) that was previously displayed in this core service has been transferred to the Human Resources Department and are displayed in the Health and Safety Core Service. This shift consolidates risk management, property and liability insurance, and workers compensation responsibilities under a single department. Accordingly, for 2007-2008, Selected Operational Measures and Activity & Workload Highlights related to the Risk Management function have been transferred to the Human Resources Department.

Core Service: Debt Management

Finance Department

Performance and Resource Overview (Cont'd.)

Debt Management Performance Summary	2005-2006 Actual	2006-2007 Target	2006-2007 Estimated	2007-2008 Target
◎ City's General Obligation Bond rating				
- Moody's	Aa1	Aa1	Aa1	Aa1
- Standard & Poor's	AA+	AA+	AA+	AA+
- Fitch	AA+	AA+	AA+	AA+
$ Cost of Debt Management services as a percentage of the City's outstanding debt portfolio	0.015%	0.022%	0.011%	0.020%
🎗 % of customers who rate Debt Management services as good or excellent on a 5-point scale based on courteous and timely responses to requests for information	82%	82%	82%	82%

Changes to Performance Measures from 2006-2007 Adopted Budget: Yes[1]

[1] Changes to Performance Measures from 2006-2007 Adopted Budget:
✕ "Cost of Risk Management Services" was deleted. This measure was not a valuable tool for measuring the performance of the Risk Management function.
↺ "% of who rate Debt and Risk Management services as good" was revised to reflect the transfer of the Risk Management function to the Human Resources Department.

Activity & Workload Highlights	2005-2006 Actual	2006-2007 Forecast	2006-2007 Estimated	2007-2008 Forecast
Total cost for Debt Management services	$681,832	$1,055,418	$585,640	$1,055,418
Total of the City's outstanding debt portfolio	$4.56B	$4.80B	$5.38B	$5.40B

Changes to Activity & Workload Highlights from 2006-2007 Adopted Budget: Yes[1]

[1] Changes to Performance Measures from 2006-2007 Adopted Budget:
↺ "Total cost for Debt and Risk Management services" was revised to reflect the transfer of the Risk Management function to the Human Resources Department.

Performance and Resource Overview (Cont'd.)

Debt Management Resource Summary**	2005-2006 Actual 1	2006-2007 Adopted 2	2007-2008 Forecast 3	2007-2008 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	$ 1,106,391	$ 1,202,604	$ 957,390	$ 957,390	(20.4%)
Non-Personal/Equipment	83,219	150,496	123,150	112,150	(25.5%)
Total	**$ 1,189,610**	**$ 1,353,100**	**$ 1,080,540**	**$ 1,069,540**	**(21.0%)**
Authorized Positions	**10.40**	**10.40**	**7.25**	**7.25**	**(30.3%)**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

** This Core Service was previously titled Debt and Risk Management. For 2007-2008, the Risk Management function has been transferred to the Human Resources Department, and the related resources are reflected in the Health and Safety Core Service.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	Funds ($)	Fund ($)
SOUND FISCAL MANAGEMENT THAT FACILITATES MEETING THE NEEDS OF THE COMMUNITY			
1. Risk Management Program Non-Personal/Equipment Transfer		**(11,000)**	**(11,000)**

This action reduces the non-personal/equipment budget by $11,000. The Risk Management function was transferred to the Human Resources Department in the 2007-2008 Base Budget. Due to a timing issue, non-personal/equipment funding was not included in this transfer. A corresponding increase to the Human Resources non-personal/equipment allocation was also approved. (Ongoing savings: $11,000)

Performance Results:
Quality, Customer Service Quality and customer service levels will be maintained due to the reallocation of staffing and responsibilities.

2007-2008 Adopted Core Service Changes Total	**0.00**	**(11,000)**	**(11,000)**

Strategic Support CSA

Core Service: Disbursements

Finance Department

Core Service Purpose

Facilitate timely and accurate payment of the City's financial obligations.

Key Operational Services:

☐ Accounts Payable

☐ Payroll

Performance and Resource Overview

This core service is responsible for coordinating various disbursements for all City departments. Customers for this service include City employees, consultants, contractors and all other vendors the City pays for goods and services. The objectives of this core service include accurate and timely payments to City employees and vendors as well as timely responses to requests for information. This core service supports the CSA Outcome: *Sound Fiscal Management that Facilitates Meeting the Needs of the Community.*

Accounts Payable

In 2006-2007, the Accounts Payable unit experienced staffing fluctuations due to vacancies. Despite these fluctuations, Accounts Payable maintained or improved service levels in most areas, such as the percentage of payments made accurately and on-time. 2006-2007 performance in this category is estimated to be 84%, above the target of 82%. As key vacancies are filled, the Accounts Payable unit will continue to improve service delivery.

In addition to primary service responsibilities, the Accounts Payable unit undertook projects such as updating the City's travel policy. It also provided departments with training on the Financial Management System (FMS). In 2007-2008, departments will be provided with quarterly reports via the City's Intranet that will provide accounts payable information regarding their departments and a comparison of their performance in relation to broader, city-wide cycle time measures.

Payroll

In 2006-2007, the Payroll unit focused its efforts on implementation of PeopleSoft software upgrade to the new Oracle PeopleSoft version 8.9. The enhancements are mainly related to employee "self-service" features and include enhanced processes and performance. These new features will allow Payroll Services to redirect a portion of their resources toward increased accuracy in payroll disbursements. Enhancements in timekeeping and labor cost reporting will improve as departmental timekeepers and payroll personnel become familiar with the changes.

Performance and Resource Overview (Cont'd.)

Payroll (Cont'd.)

Staff collects and analyzes performance data by identifying activities and outputs involved in issuing vendor payments, employee paychecks and other types of pay. The estimated cost per payment for 2006-2007 is $6.23. This cost increase, from a target of $6.04, reflects a decrease in the number of payments. The number of payments is expected to increase by approximately 9% from 270,000 in 2006-2007 to 295,000 in 2007-2008.

Disbursements Performance Summary	2005-2006 Actual	2006-2007 Target	2006-2007 Estimated	2007-2008 Target
🎯 % of payments made accurately and on-time	81%	82%	84%	90%
🎯 % of employee payments paid timely and accurately	NEW	NEW	82%	90%
$ Cost per payment	$6.02	$6.04	$6.23	$6.10
🕐 Average number of days from invoice date to check issuance	32	31	32	31
🎗 % of customers who rate disbursement services as good or excellent on a 5-point scale based on courteous and timely responses to requests for information	90%	90%	90%	90%

Changes to Performance Measures from 2006-2007 Adopted Budget: Yes[1]

[1] Changes to Performance Measures from 2006-2007 Adopted Budget:
+ "% of employee payments paid timely and accurately" was added to provide an indication of internal service delivery for disbursements.

Selected Operational Measures	2005-2006 Actual	2006-2007 Forecast	2006-2007 Estimated	2007-2008 Forecast
🎯 % of vendor invoices paid within 30 days	69%	69%	63%	63%

Changes to Operational Measures from 2006-2007 Adopted Budget: No

Activity & Workload Highlights	2005-2006 Actual	2006-2007 Forecast	2006-2007 Estimated	2007-2008 Forecast
Total cost for Disbursement services	$1,634,680	$1,780,719	$1,682,703	$1,801,738
Total number of payments made	271,553	295,000	270,041	295,000
Vendor invoices paid	71,497	83,000	78,422	90,000

Changes to Activity & Workload Highlights from 2006-2007 Adopted Budget: No

Core Service: Disbursements

Finance Department

Performance and Resource Overview (Cont'd.)

Disbursements Resource Summary	2005-2006 Actual 1	2006-2007 Adopted 2	2007-2008 Forecast 3	2007-2008 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	$ 1,554,939	$ 1,774,984	$ 1,804,282	$ 1,706,049	(3.9%)
Non-Personal/Equipment	79,741	5,735	95,689	95,689	1568.5%
Total	**$ 1,634,680**	**$ 1,780,719**	**$ 1,899,971**	**$ 1,801,738**	**1.2%**
Authorized Positions	**18.55**	**18.55**	**18.55**	**17.55**	**(5.4%)**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
SOUND FISCAL MANAGEMENT THAT FACILITATES MEETING THE NEEDS OF THE COMMUNITY			
1. Finance Accounts Payable Staffing	**(1.00)**	**(98,233)**	**(98,233)**

This action eliminates a vacant Accounting Technician position in the Accounts Payable division. To help mitigate the impacts of this reduction, a Financial Analyst in the Administrative Unit will be redeployed to absorb the administrative duties of the Accounting Technician position and to provide supervision to the Accounts Payable division. After the reduction, an Accountant, five Senior Account Clerks, and an Accounting Technician will remain in the division. (Ongoing savings: $98,233)

Performance Results:
Quality, Customer Service Quality and customer service levels will be maintained due to the reallocation of staffing and responsibilities.

	Positions	All Funds ($)	General Fund ($)
2007-2008 Adopted Core Service Changes Total	**(1.00)**	**(98,233)**	**(98,233)**

Strategic Support CSA

Core Service: Employee Benefits

Human Resources Department

Core Service Purpose

Provide employee benefit programs that best meet the needs of employees, retirees, their dependents and the City, and assist participants to utilize their plans effectively.

Key Operational Services:

☐ Competitive Processes for Benefit Plans
☐ Staff Support for Benefits Review Forum and Deferred Compensation Advisory Committee
☐ Benefits Classes
☐ Insurance Premium Payments
☐ Claims Processing
☐ Eligibility and Contribution Transfers
☐ Customer Services, Counseling and Mediation
☐ Human Resources Information System (HRIS) - Benefits Module Administration and Maintenance

Performance and Resource Overview

The Employee Benefits Core Service supports the Strategic Support CSA Outcome: *A High-Performing Workforce that is Committed to Exceeding Internal and External Customer Expectations.* This core service strives to provide employees with a wide array of high-quality, affordable and responsive benefit services, and to make accessing and utilizing these services as seamless and trouble-free to beneficiaries as possible. High-quality employee benefits are essential to being an "employer of choice" and to attracting and retaining a high-performing workforce.

The 2007-2008 investment of City funds for non-retirement employee benefits is over $65 million, details of which are included in the Statement of Source and Use of Funds for the Benefit Funds found in the Source and Use of Funds Statements section of this document. Employees, the Retirement Funds, and retirees contribute another $38 million for these non-retirement benefits. In addition, employees may choose to pay for a number of voluntary benefits through payroll deductions such as deferred compensation, long-term disability, long-term care, medical reimbursement accounts, dependent care accounts, supplemental life insurance, personal accident insurance, and other insurance products.

Key accomplishments in 2006-2007 include completion of requests for proposals (RFP) for the 457 deferred Compensation Plan, the employee and retiree health plans, and the flexible spending account program; roll-out of a second, lower-cost Long Term Disability option to employees; completion of the City's PeopleSoft Version 8.9 Upgrade project; and, the initiation of RFP processes for the Employee Assistance Program (EAP) and the City's group life insurance policy.

The 457 Deferred Compensation Plan RFP resulted in the decision to move away from a two provider environment. ING was selected to provide the voluntary and PTC 457 plans, ending the City's long-standing relationship with ICMA Retirement Corporation (ICMA-RC). Through the process, ING offered the highest rate-of-return on their Stable Value Fund and was the only provider to guarantee a fixed rate for a specified time period (5.8% guaranteed through December 31, 2007). As of January 1, 2007, 54% of the City's plan participants had over $175 million invested in the Stable Value Fund (33% of plan assets). Overall, deferred compensation plan participation remains exceptional at 69%, and is expected to grow with improved educational efforts and administrative efficiencies now possible with a single provider.

The Health Plan RFP resulted in the retention of Kaiser, Blue Shield, and United HealthCare as the City's employee and retiree health plans. Through the competitive process, the City was able to secure a 6% rate increase for Kaiser (the lowest cost plan) and 5% and 8% increases for the Blue Shield HMO and PPO plans, respectively. The Kaiser increase compares with CalPERS' 10% increase in 2007 and the City's 19% increase in 2006. In addition to the competitive rates, the City obtained $200,000 in health risk reduction seed money from both Kaiser ($100,000) and Blue Shield ($100,000). These funds will be used to create programs that improve employee health and productivity and manage City-specific health cost drivers. In 2007-2008, the cost of flu shots for employees, which was a budgeted City expense in 2006-2007, will be shifted to the City's healthcare providers, Kaiser and Blue Shield. This shift will not impact employees as flu shots will still be available at no cost to employees, and allows the General Fund to realize $40,000 in cost savings.

For 2007-2008, the Employee Benefits division will focus on a number of key initiatives. These include completing the Employee Assistance Program (EAP) and Life Insurance competitive processes begun in spring of 2007; developing city-wide health risk mitigation programs to improve employee health and reduce health plan costs; implementing loan program provisions in the City's 457 deferred compensation plan to allow participants to take out loans against their account balances; implementing automated Leave of Absence billing processes in the HR/Payroll system to help employees continue benefits while on unpaid leaves of absence; conducting a Vision Plan RFP process to select the most competitive vision plan providers while ensuring long-term rate stability, preservation of plan design, and breadth of provider network; conducting a Personal Accident Insurance RFQ process to obtain the most competitive group pricing for employees while preserving plan benefits; and conducting an Unemployment Insurance Claims Administrator RFQ to obtain quality claims administration and secure the most competitive third party administrator (TPA) pricing for the City's self-insured plan.

Core Service: Employee Benefits

Human Resources Department

Performance and Resource Overview (Cont'd.)

	Employee Benefits Performance Summary	2005-2006 Actual	2006-2007 Target	2006-2007 Estimated	2007-2008 Target
◎	% of providers in compliance with negotiated benefits	92%	92%	92%	92%
$	Cost of benefits administration per FTE	$157	$155	$170	$181
⏱	% of requests for services responded to in one day	93%	90%	90%	90%
⏱	% of HRIS transactions completed within the target pay period	100%	100%	100%	100%
🎗	% of participants rating benefit program products and services as good to excellent	N/A*	80%	N/A*	N/A*

Changes to Performance Measures from 2006-2007 Adopted Budget: No

*The question regarding benefits satisfaction was not included in the 2004 or the 2006 Employee Survey.

Activity & Workload Highlights	2005-2006 Actual	2006-2007 Forecast	2006-2007 Estimated	2007-2008 Forecast
Annual contributions to Deferred Compensation	$36M	$35.5M	$36M	$36M
% of employees contributing to Deferred Comp	67%	70%	69%	70%
% of employees/retirees enrolled in dental HMO	8%	8%	9%	9%

Changes to Activity and Workload Highlights from 2006-2007 Adopted Budget: No

Employee Benefits Resource Summary	2005-2006 Actual 1	2006-2007 Adopted 2	2007-2008 Forecast 3	2007-2008 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	$ 1,030,332	$ 1,156,292	$ 1,240,003	$ 1,240,003	7.2%
Non-Personal/Equipment	693,746	719,600	732,640	732,640	1.8%
Total	**$ 1,724,078**	**$ 1,875,892**	**$ 1,972,643**	**$ 1,972,643**	**5.2%**
Authorized Positions	**11.12**	**11.62**	**11.62**	**11.62**	**0.0%**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Core Service: Employee Benefits

Human Resources Department

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
NONE			

Core Service: Employment Services

Human Resources Department

Core Service Purpose

Facilitate the timely hiring of excellent employees, and administer the City's classification and compensation systems.

Key Operational Services:

☐ Recruitment, Assessment and Hiring
☐ Executive Recruitment
☐ Employee Placements
☐ Temporary Employment Program
☐ Job Classification/Compensation
☐ Liaison Support/Training
☐ Employee Reallocations
☐ Civil Service and Hiring Rules, Policies and Procedures
☐ Pilot Matrix Program

Performance and Resource Overview

The Human Resources core employment services team supports the Strategic Support CSA outcome of *A High Performing Workforce that is Committed to Exceeding Internal and External Customer Expectations.* This core service partners with client CSA representatives to assist departments in conducting tailored job recruitments, administering candidate assessments for selected job classes, and managing effective, efficient, and defensible hiring processes. Additionally, working in a decentralized hiring environment, this team supports, advises, and trains liaisons and has embarked upon a Pilot Matrix Program to expedite hiring for departments in need of assistance because of a large number of vacant positions.

Despite the continued hiring freeze, the core service processed 1,857 hiring transactions in 2006-2007. This was a 36% increase over 2005-2006 when 1,368 transactions were processed. In addition, this amount is almost double the 989 total transactions that occurred in 2004-2005. In 2007-2008, transaction levels are expected to increase, driven primarily by higher retirement levels, approvals for departments to fill vacancies, and new positions added through the 2007–2008 budget process.

Executive recruitments continue to increase as more individuals reach retirement eligibility. In 2006-2007, the Employment Services Division reissued the Request for Qualifications (RFQ) for Executive Recruitment Services and has expanded its qualified vendor list to expedite the retention of search professionals for these types of recruiting activities.

In September 2006, the City Manager engaged Management Partners to conduct a study to assist the City in improving its hiring practices. Key findings of the study included a comparison of staffing levels and budgets in six local government jurisdictions. Of the jurisdictions surveyed, San José had the most under-resourced Human Resource staffing with 184 employees per each Human Resources employment staff member. The next "highest" jurisdiction is the City of Santa Cruz which has 115 employees per Human Resource employment staff member. Further, the City of San José's budget-to-employee ratio, exclusive of workers' compensation funding, is $788. This is the lowest employment budget-to-employee ratio of the jurisdictions compared.

To enable some improvements to the City's hiring process, the Employment Services Division implemented the Pilot Matrix Program. This is a 12-month pilot program where departments support hiring activities by dedicating one or more positions to focus exclusively on recruitment and hiring efforts. The dedicated position serves and maintains an office and a presence in the client department. They are responsible for implementing improved hiring models, reducing the time to hire, and increasing the volume of quality hires.

Departments that are currently participating in the pilot program include: Airport, Environmental Services, Parks, Recreation and Neighborhood Services, Public Works, and the Planning, Building and Code Enforcement Department.

In 2007-2008, Employment Services will increase its focus on classification and compensation services. These services ensure that jobs are properly designed, described, and aligned to support business needs and sound organizational principles. In addition, compensation work includes analyses and actions to promote market-based compensation while ensuring internal pay equity among City jobs. The restriction on classification actions, in place since 2003-2004, concluded in 2006-2007, and a revised reallocation process was implemented in March 2007. It is projected that over 500 classification requests will be received. In 2006-2007, three temporary positions (Senior Analyst, Staff Technician, and a Principal Office Specialist) were added to enable reallocation work and assist with the higher transaction volume. For 2007-2008, these positions were approved to be extended for one more year to continue the program for another year.

The Employment Services Division conducts city-wide testing to create eligibility lists for classifications that are utilized by most departments. Due to budgetary constraints and the hiring freeze, established lists had become out of date. In 2006-2007, the Employment Services Division received one-time funding to conduct testing for nine city-wide classifications. Testing for all nine classifications was completed in March 2007, meeting the original funding commitment. Sufficient funds ($20,000) remained to update qualified candidate groups for three additional classifications.

Employment Services is also responsible for facilitating organizational downsizing by administering placements, bumping, redeployment and layoff of employees. In 2006-2007, staff successfully placed 11 employees who were affected by position cuts into other City jobs. In 2007-2008, Employment Services will continue to generate and use seniority lists as well as work closely with departments and displaced employees to find acceptable placements.

Another function of the Employment Services Division is to provide temporary employment resources for other CSAs by maintaining pools of employees and retirees available for temporary assignments. During a hiring freeze, the ability to use temporary pool employees provides a valuable alternative for staffing critical work. Demand for temporary services has increased 60% since 2002-2003.

Temporary services have been used to backfill vacant positions throughout the organization while recruitments are underway, which further demonstrates the impact on service delivery that the growth in hiring demand has created. In 2007-2008, Employment Services anticipates that it will continue to use temporary pool employees at a high level.

In 2006-2007, the Employment Services Division has also assumed responsibility for managing the day-to-day aspects of the City's Military Leave Program and a Veteran's Preference Policy. The policy was completed and approved by the City Council on June 19, 2007.

Core Service: Employment Services

Human Resources Department

Performance and Resource Overview (Cont'd.)

	Employment Services Performance Summary	**2005-2006 Actual**	**2006-2007 Target**	**2006-2007 Estimated**	**2007-2008 Target**
🎯	Turnover Rates:				
	- Total, All Employees	6.1%	7.0%	6.1%	7.0%
	- Public Safety Employees	5.2%	NEW	6.5%	8.0%
	- Non-Public Safety Employees	6.7%	NEW	6.0%	7.0%
	- Information Technology Employees	3.8%	3.5%	4.6%	5.0%
	- Non-Information Technology Employees	6.1%	7.5%	6.2%	7.0%
🎯	% of employee performance reviews completed on schedule	47%	20%	33%	40%
🎯	% of hiring managers rating probationary employees as meets standard or above	98%	95%	98%	95%
🕒	Days for Recruitments				
	-Internal	66	NEW	92	90
	-External	95	NEW	119	120
🕒	Ratio of actual working days for external recruitment versus target	1.3	1.0	1.3	1.0
🕒	Ratio of actual working days for internal recruitment versus target	1.4	1.0	1.4	1.0
🕒	Working days to reclassify an occupied position	N/A*	N/A*	TBD*	N/A*

Changes to Performance Measures from 2006-2007 Adopted Budget: Yes[1]

[1] Changes to Performance Measures from 2006-2007 Adopted Budget:

+ "Turnover Rates: Public Safety Employees, non-Public Safety Employees" were added to monitor turnover of sworn, Public Safety employees in comparison to other City staff.
+ "Days for Internal Recruitments and External Recruitments" was added to measure the length of time to fill internal versus external recruitments and to review improvements and difficulties in hiring.

* No data available for 2005-2006 due to temporary freeze on reclassification actions. Baseline data needed before target can be determined.

Core Service: Employment Services

Human Resources Department

Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2005-2006 Actual	2006-2007 Forecast	2006-2007 Estimated	2007-2008 Forecast
New job postings:				
- Total	371	470	490	500
- Internal	239	270	300	300
- External	132	200	190	200

Changes to Activity & Workload Highlights from 2006-2007 Adopted Budget: No

Employment Services Resource Summary	2005-2006 Actual 1	2006-2007 Adopted 2	2007-2008 Forecast 3	2007-2008 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	$ 1,020,244	$ 1,146,760	$ 1,168,164	$ 1,471,751	28.3%
Non-Personal/Equipment	101,805	89,763	93,532	118,532	32.0%
Total	**$ 1,122,049**	**$ 1,236,523**	**$ 1,261,696**	**$ 1,590,283**	**28.6%**
Authorized Positions	**11.00**	**11.00**	**11.00**	**14.00**	**27.3%**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Core Service: Employment Services

Human Resources Department

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
A HIGH PERFORMING WORKFORCE THAT IS COMMITTED TO EXCEEDING INTERNAL AND EXTERNAL CUSTOMER EXPECTATIONS			
1. Temporary Recruitment Staffing	**3.00**	**308,587**	**308,587**

This action adds three limit-dated positions (Senior Analyst, Staff Technician, and a Principal Office Specialist) and non-personal/equipment funding for supplies and training expenses. The addition of these positions, which have a limit-date of June 30, 2008, will allow the existing permanent staff to focus more of their time on recruitment efforts as opposed to administrative duties, as well as assist with classification and compensation activities. (Ongoing costs: $0)

Performance Results:
Cycle Time, Customer Service These positions will help to improve the City's hiring process by dedicating resources to classification and compensation activities and by providing administrative support so that recruitment staff can focus on recruitment and hiring efforts in order to improve timeliness and quality of the recruitment process.

2. Rebudget: City-Wide Testing		**20,000**	**20,000**

This action rebudgets $20,000 in personal services funding for City-wide employment testing. An initial group of nine City-wide job classification tests were completed in 2006-2007. This rebudget will allow for job classification testing for the following: Electrician, Engineering Technician, and Office Specialist/Senior Office Specialist. (Ongoing costs: $0)

Performance Results: N/A: Final Budget Modification

2007-2008 Adopted Core Service Changes Total	**3.00**	**328,587**	**328,587**

Core Service: Facilities Management

General Services Department

Core Service Purpose

Provide safe, efficient, comfortable, attractive, and functional buildings and facilities.

Key Operational Services:

- ☐ Facilities Maintenance Services
- ☐ Facilities Improvement Services
- ☐ Special Event Support Services
- ☐ Technical Services
- ☐ Graffiti Abatement

Performance and Resource Overview

Facilities Management is responsible for maintaining the City's building infrastructure assets through preventive and corrective maintenance and the implementation of facility improvements to enhance service delivery and the user's experience. This core service contributes to the Strategic Support CSA outcome: *Safe and Functional Public Infrastructure, Facilities, and Equipment.* Facilities Management supports the CSA outcome by striving to ensure that all of the City's facilities meet the following criteria:

- Safe to occupy, operate, and use
- Functional to the operations supported and to the needs of the customers served
- Efficient building components and systems
- Attractive to the public and the surrounding neighborhoods
- Comfortable for the occupants and users

The economic environment once again presents significant challenges in sustaining the existing maintenance service levels and maintaining the overall condition of City facilities. Facilities Management continues to focus on looking for opportunities to 1) find ways to achieve operational savings; 2) address health, safety, and mission-critical maintenance services; 3) enable the development of maintenance programs based on available resources; and 4) develop mid- and long-term capital strategies for operators to manage their City facility assets.

Facilities Management will continue to provide a complement of facility services by managing resources to meet facility maintenance needs. Facilities Management is assisting operators in developing mid- and long-term facility asset management strategies. These strategies will minimize facility downtime and decrease unplanned facility closures. For 2007-2008, Facilities Management budget strategies attempt to achieve operational savings while minimizing the impacts to customers in City facilities. One such strategy is contracting-in services where City employees can be competitive and meet customer demands.

Performance and Resource Overview (Cont'd.)

The cost competitiveness of certain City trades staff has been analyzed over the last several years and the result has favored contracting-in. This year, there are several contracting-in opportunities which will generate operational and budgetary efficiencies. Rather than contract-out, the addition of three Electricians and one Plumber are included in this budget to provide corrective maintenance services for electrical and plumbing systems at a lower cost than that of a contractor. The addition of these positions will provide greater flexibility and availability to respond to urgent or emergency issues.

As City Hall approaches its second anniversary, the building generally continues to work well as staff adjusts operations to meet their needs. One critical area that has come to the forefront of needs for the facility is an adequate temperature back-up system for the Network Operation Center (NOC). The NOC, which provides the backbone of computer service to much of the City, does not have a fully redundant cooling system. Funding in the General Fund in the amount of $1.3 million is included in this budget to create a fully redundant cooling system, thereby ensuring that the temperature in the NOC remains cool enough on an uninterrupted 24x7 basis to support the operations of the computer equipment.

Additional improvement projects at City Hall are forthcoming. These projects include enhanced signage, improved railings, and automatic doors, among others. General Services expects some of these improvements to require increased maintenance costs, including increased custodial service and increased contractual repair costs for automatic doors. Strategies to cover these costs will be brought forward for consideration in future budget years as needs are identified.

In order to meet budget reduction targets, a reduction of $190,000 in contractual maintenance at City Hall is included in this budget. The reduction would be spread across several services, including custodial services, equipment maintenance, and painting services. The collective result of these reductions may lead to an increase in work order cycle time and the deferral of some preventative maintenance services. For the customer, this would mean that there may be times when certain elements of the facility may not function to the intended design level or where the facility may appear less maintained (i.e. walls that need painting, restrooms that require service, doors that need repair, etc.).

General Services continues to work to balance the demand between meeting and event support and the need to provide daily maintenance services with existing staffing levels. The result has been a shift of resources from maintenance responsibilities to event support. This has caused a decrease in responsiveness to maintenance service requests and an increase in deferred maintenance in some areas. In 2007-2008, General Services expects even more events requiring staff support. This will require a greater need to manage the level of event and meeting support within the bounds of staffing availability. This, in turn, will result in fewer resources for maintenance and an increase in deferred maintenance.

General Services will work to mitigate negative impacts associated with reductions by prioritizing maintenance activities and looking for new ways to maximize resources, such as through the

Strategic Support CSA

Core Service: Facilities Management

General Services Department

Performance and Resource Overview (Cont'd.)

Computerized Maintenance Management System (CMMS). CMMS is the database used to manage maintenance scheduling and records. This system has lead to increased productivity and may lower overall operating costs by reducing administrative errors associated with manual tracking methods.

Achieving the 100% target for the performance measure "% of health and safety concerns mitigated within 24 hours" continues to be a priority goal of Facilities Management. However, increased reliance on contractual services and vendor availability to address some of these concerns has resulted in response time delays in 2006-2007. As previously discussed, the additional staff associated with contracting-in should improve performance in 2007-2008.

	Facilities Management Performance Summary	2005-2006 Actual	2006-2007 Target	2006-2007 Estimated	2007-2008 Target
🎯	Average condition assessment rating for City building facilities (based on a rating scale of 1 to 5)	NEW	NEW	3.5	3.5
🎯	% of facilities with a condition assessment rating of good or better (3 or better on a 5-pt scale)	NEW	NEW	60%	60%
$	Cost of maintenance/total square feet to be maintained	$5.81	$5.90*	$5.30	$5.90*
🕐	% of health and safety concerns mitigated within 24 hours	76%	100%	98%	100%
🕐	% of non-health and safety work completed within time standards	67%	80%	55%	70%
🎗	% of customers who rate service as good or excellent based on timeliness of response and quality of work	86%	87%	90%	90%
🎗	% of public who rate publicly accessed buildings as good or excellent	67%	70%	67%	70%

Changes to Performance Measures from 2006-2007 Adopted Budget: Yes[1]

[1] Changes to Performance Measures from 2006-2007 Adopted Budget:

+ "Average condition assessment rating for City building facilities" was added. This new measure will weight the ratings based on the square feet of the facility.

↺ "% of facilities with a condition assessment rating of good or excellent" was revised. The revision will more accurately demonstrate the City's building asset condition by utilizing a weighted averaging methodology based on the square footage of the building asset. The revision, which will only incorporate facility structures and not include landscapes and parking lots, will also adopt a numerical rating of 3 on a 5 point scale as being equivalent to "good".

* The target for this measure demonstrates the estimated cost of providing maintenance at a more optimum level, including the ability to more proactively address preventative needs and maximize the useful life of facilities.

Core Service: Facilities Management

General Services Department

Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2005-2006 Actual	2006-2007 Forecast	2006-2007 Estimated	2007-2008 Forecast
Total number of corrective work orders completed	6,767	7,300	10,000	11,000
Total number of preventive work orders completed	3,335	6,700	2,800	3,200
New square footage added during the period	589,166	57,696	37,746	125,589
Total square footage maintained	2.38M	2.34M	2.40M	2.53M

Changes to Activity & Workload Highlights from 2006-2007 Adopted Budget: No

Facilities Management Resource Summary	2005-2006 Actual 1	2006-2007 Adopted 2	2007-2008 Forecast 3	2007-2008 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	$ 7,986,114	$ 9,487,861	$ 10,039,675	$ 10,406,647	9.7%
Non-Personal/Equipment	7,854,049	10,542,887	9,257,261	8,578,571	(18.6%)
Total	**$ 15,840,163**	**$ 20,030,748**	**$ 19,296,936**	**$ 18,985,218**	**(5.2%)**
Authorized Positions	**99.50**	**105.50**	**105.50**	**109.00**	**3.3%**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)

SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES, AND EQUIPMENT

1. In-Source Facilities Maintenance Services	**4.00**	**(169,257)**	**(169,257)**

This action adds 1.0 Plumber, 3.0 Electricians, and reduces the contractual services budget by $570,000, generating $169,257 in General Fund savings. These new positions will perform electrical and plumbing maintenance and repair activities at a lower cost than that of a contractor. As a result of adding these new positions, a reduction of $570,000 in non-personal/equipment can be realized, as a portion of the Department's allocation for electrical and plumbing contractual services can be eliminated. (Ongoing savings: $139,426)

Performance Results:
Cycle Time, Satisfaction The addition of these positions will provide greater flexibility and availability to respond to urgent or emergency issues which should result in improved timeliness of response producing greater customer satisfaction.

2. Facilities Maintenance Staffing and Contractual Services	**(0.50)**	**(159,461)**	**(107,583)**

This action eliminates a 0.5 Custodian PT position, which has been vacant since 2004 as well as reduces contractual services funding at City Hall by $190,000 (a 12.2% reduction). As a result, services will need to be prioritized and addressed as resources allow. In addition, this action provides funding for preventive maintenance and minor repairs for new or expanded facilities coming online in 2007-2008 ($53,110). These facilities include Edendale Library, Joyce Ellington Library, Pearl Avenue Library, Roosevelt Community Center, Hoffman Via Monte Neighborhood Center, Leland High School Sports Fields, Alum Rock Park Entrance Restroom, Lake Cunningham Skate Park, Emma Prusch Park Maintenance/Service Yard, as well as three new Fire Stations and three relocated Fire Stations. This action will also shift funding for 0.23 of a Program Manager from the Capital Program and San José – Santa Clara Treatment Plant Operating Fund to the General Fund. This position will be responsible for managing the Computerized Maintenance Management System database and the funding shift will more effectively align funding with anticipated workload in 2007-2008. (Ongoing savings: $212,571)

Performance Results:
Cost, Cycle Time, Customer Satisfaction The reduction would be spread across several services, including custodial services, equipment maintenance, painting services, and other contracted services at City Hall. The result of these reductions would be an increase in work order cycle time and the deferral of some work that would normally be completed on a regular basis. Customer satisfaction with the timeliness of work order completion and with the appearance of the building may decrease.

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES, AND EQUIPMENT (CONT'D.)			
3. Vehicle Maintenance Staffing		**(3,000)**	**(3,000)**

This action generates city-wide vehicle maintenance and operations cost savings totaling $69,154 ($55,323 in the General Fund), resulting from the elimination of a vacant Equipment Mechanic Assistant position (vacant since June 2004) in the General Services Department. The cost savings in the General Services Department, Facilities Management Core Service is $3,000. No impacts to current service levels are anticipated with this reduction because of a decreased fleet size and the end, in 2006-2007, of the multi-year freeze on general fleet replacements which has resulted in the average age of the fleet decreasing. Vehicle replacements, however, are still subject to an exemption process managed by both the General Services Department and the City Manager's Office. (Ongoing savings: $3,000)

Performance Results:
No impacts to current performance levels are anticipated as a result of this action.

4. Light and Sound Technician Support		**20,000**	**20,000**

This action will provide ongoing funding for increased audio-visual support at City Hall in response to Sunshine Reform requirements. Additional funding will add capacity in General Services to contract for additional Audio Visual support for Planning Commission meetings coverage and to meet peak work demands when competing meetings require simultaneous support. (Ongoing costs: $20,000)

Performance Results: ***Customer Satisfaction*** The addition of contracted services will provide additional staffing during peak meeting times. As a result of Sunshine Reform efforts, there will be an increased need for meeting broadcasts beginning in 2007-2008.

2007-2008 Adopted Core Service Changes Total	**3.50**	**(311,718)**	**(259,840)**

Core Service: Financial Reporting

Finance Department

Core Service Purpose

Provide accurate and meaningful reporting on the City's financial condition.

Key Operational Services:

- ☐ General Accounting and Analysis
- ☐ Specialized Accounting

Performance and Resource Overview

Financial Reporting services provided by the Finance Department address customer requirements for financial information and analysis. City departments use the information to improve quality and reduce costs of services provided, improve efficiency, improve decision making capabilities, and increase the sharing of knowledge; outside agencies seek reports for their unique purposes. This core service supports the Strategic Support CSA Outcome: *Sound Fiscal Management that Facilitates Meeting the Needs of the Community.*

General Accounting and Analysis

General Accounting and Analysis is primarily responsible for accounting of the General Fund and city-wide activity, including overhead rate calculations and preparation of the Comprehensive Annual Financial Report (CAFR). Over the last two years, General Accounting lost two seasoned staff members to retirements, and their departures impacted overhead rate calculations and production of the CAFR. Their vacancies were filled in 2006-2007, and their replacements continue to work to overcome these staffing set backs.

In 2006-2007, General Accounting implemented a new team-based approach to the various indirect cost plans that produce rates for allocating budgeted and actual overhead costs to direct service departments. This approach helped to produce the rates in time for the Budget Office to incorporate them into the Proposed Operating and Capital budgets, which was an improvement over previous years.

Specialized Accounting

Specialized Accounting manages accounting responsibilities related to the City improvement and assessment districts, grant programs and spot audits. It also performs comprehensive financial tracking of unique financial relationships of the City. For example, City staff continues to be involved with the ongoing operation and financial monitoring of the Hayes Mansion and the Convention Center (managed by Team San Jose).

Performance and Resource Overview (Cont'd.)

Specialized Accounting (Cont'd.)

In October 2006, City Council approved a $2 million line of credit for the San Jose Repertory Theatre and a $1 million revolving line of credit for the American Musical Theatre. Specialized Accounting tracks loan draws and reviews monthly financial statements to monitor the financial performance of these theaters.

In December 2006, the City received final payment from the American GI Forum related to a joint City/County loan from 2001-2002. Specialized Accounting was responsible for the administration, monitoring, and close out of the loan.

For 2007-2008, a temporary Senior Accountant was added to review the list of outstanding unexpended encumbrance balances and to identify those that are no longer necessary to achieve the purpose for which they were created. This will release budgetary capacity tied up for outdated purposes that can be reprogrammed towards current, more critical service needs. In addition, the Senior Accountant will create a policy that allows the Finance Department to liquidate encumbrances after a predetermined date.

Customers have indicated that financial information needs to be accurate, timely and available in desired formats for it to be meaningful and useful to them. Through the first three quarters of 2006-2007, 99% of reports produced were estimated to be accurate and on-time, compared to a target of 98%. The Department will continue to maintain its efforts to meet the target of 98% of reports that are accurate and on-time in 2007-2008.

Financial Reporting staff continues to explore and encourage use of new methodologies in obtaining financial information. The Finance Department conducted its annual customer satisfaction survey during the fourth quarter of 2006-2007. The Department will continue to use the information received from its customers to improve service levels to the extent possible.

	Financial Reporting Performance Summary	2005-2006 Actual	2006-2007 Target	2006-2007 Estimated	2007-2008 Target
🎯	% of reports that are accurate and on-time	99%	98%	99%	98%
$	Cost per report	$579	$841	$871	$873
🎗	% of customers who rate reports as good or excellent on a 5-point scale based on clarity, timeliness, usefulness and availability in desired format	85%	86%	83%	83%

Changes to Performance Measures from 2006-2007 Adopted Budget: No

Core Service: Financial Reporting

Finance Department

Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2005-2006 Actual	2006-2007 Forecast	2006-2007 Estimated	2007-2008 Forecast
Total cost for Financial Reporting services	$1.13M	$1.66M	$1.66M	$1.72M
Total number of reports provided	1,951	1,975	1,951	1,975

Changes to Activity & Workload Highlights from 2006-2007 Adopted Budget: No

Financial Reporting Resource Summary	2005-2006 Actual 1	2006-2007 Adopted 2	2007-2008 Forecast 3	2007-2008 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	$ 1,117,991	$ 1,651,625	$ 1,583,425	$ 1,697,702	2.8%
Non-Personal/Equipment	11,531	11,100	27,170	27,170	144.8%
Total	**$ 1,129,522**	**$ 1,662,725**	**$ 1,610,595**	**$ 1,724,872**	**3.7%**
Authorized Positions	**14.55**	**14.55**	**13.70**	**14.70**	**1.0%**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes by Core Service

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
SOUND FISCAL MANAGEMENT THAT FACILITATES MEETING THE NEEDS OF THE COMMUNITY			
1. Temporary Encumbrance Liquidation Project Staffing	**1.00**	**114,277**	**0**

This action adds a Senior Accountant position with a limit date of June 30, 2008. This position will review the list of outstanding unexpended encumbrance balances and identify and liquidate those that are no longer necessary to achieve the purpose for which they were originally created. In addition, the Senior Accountant will create a policy that allows the Finance Department to liquidate encumbrances after a predetermined date. It is anticipated that this position, which will be funded by the Airport Maintenance and Operation Fund, Integrated Waste Management Fund, Low and Moderate Income Housing Fund, and San José–Santa Clara Treatment Plant Operating Fund, will liquidate sufficient encumbrances in those funds to cover the cost of the position. (Ongoing costs: $0)

Performance Results:
Cost The addition of this position will allow for the release of funding to be used for more current, critical service needs.

2007-2008 Adopted Core Service Changes Total	**1.00**	**114,277**	**0**

Strategic Support CSA

Core Service: Fleet and Equipment Services

General Services Department

Core Service Purpose

Manage safe and effective fleet and radio communications assets.

Key Operational Services:

- ☐ Provide Repair and Maintenance of City Fleet and Equipment
- ☐ Manage the Acquisition and Equipping of the Entire City Fleet
- ☐ Manage Fuel Availability and Distribution
- ☐ Manage Radio Communications and Equipment

Performance and Resource Overview

The goal of this core service is to provide safe and reliable vehicles and equipment that are readily available for City employees. This core service contributes to the Strategic Support CSA Outcome: *Safe and Functional Public Infrastructure, Facilities and Equipment.*

The economic environment once again presents significant challenges in sustaining existing maintenance service levels and maintaining the overall condition of City fleet assets. Fleet and Equipment Services continues to focus on looking for opportunities to 1) achieve operational savings; 2) address public health, public safety, and mission-critical fleet services; 3) enable the development of fleet and radio communications programs based on available resources; and 4) develop mid- and long-term capital strategies for management of the City's communication infrastructure.

For 2007-2008, Fleet and Equipment Services budget strategies are designed to achieve operational savings while minimizing the impact to City programs. These strategies include replacing vehicles meeting replacement criteria that are most critical to City programs first and prioritizing the remaining need based on established criteria, including age, mileage, cost considerations, and City service delivery impact.

Fleet and Equipment Services will continue to work to achieve an optimum fleet size that provides cost savings, maximizes vehicle availability, and supports the delivery of City services. In meeting this challenge, Fleet and Equipment Services will continue to identify and provide alternatives to ownership and optimize City resources in the provision of vehicles and equipment to user departments. These alternatives include sharing across departmental lines, short-term rentals, leases, mileage reimbursement, and equipment pooling. Achieving the optimal fleet size is an ongoing effort shared by the General Services Department and all its client departments. General Services is closely coordinating with departments on the development and implementation of optimizing strategies, so as not to impact critical department resources essential in supporting City services.

Performance and Resource Overview (Cont'd.)

Following five years in which general fleet replacements were frozen, $750,000 was allocated towards General Fund general fleet replacement in 2006-2007. The Department continues to remove older, less reliable vehicles that have mechanically failed as part of the ongoing right-sizing effort. This has positively impacted the percentage of the fleet in compliance with the replacement cycle by eliminating some of the older and out of compliance vehicles. However, this effect has been offset by the lack of full replacement funding. Beginning in 2007-2008, with the approved level of replacement funding established at $1.6 million annually, the number of general fleet vehicles in compliance with the replacement cycle is expected to increase slightly. In future years, as the fleet continues to move toward greater compliance with the replacement schedule, cost per mile/hour will decrease (discounting inflation) and availability may increase.

The absence of vehicle and equipment replacement, staff vacancies, and contractual service reductions in the past few years have all contributed to the downward trend in the percentage of repair and preventative maintenance work orders completed within 24 hours. These factors may have also contributed to the decline in the number of customers who rate service good or better based on timeliness. Efforts are underway to improve customer ratings. They include monthly meetings with departments to discuss and provide updates on vehicle repairs, scheduling maintenance activities in advance of seasonal equipment needs, and coordinating short term rentals of specialized equipment to support client departments' service delivery needs.

Fleet Management has begun the process to comply with California legislation that requires all public agencies and utilities to retrofit existing diesel powered equipment with advanced emission control technology by 2011. As the City has a large number of diesel powered pieces of equipment, Fleet Management staff are working aggressively to minimize the impact this legislation could have on operations. Grant funding was used to retrofit 18 vehicles with approved emission control equipment in 2006-2007. In 2007-2008, nine more vehicles will be retrofitted. Once these retrofits are complete, 20% of the on-road diesel vehicles will be in compliance. To meet compliance with the phased-in implementation schedule, another 56 diesel vehicles (60% of the city's on-road diesel fleet) will need to be retrofitted or permanently retired by December 2009. Funding will need to be identified in future years to complete this project.

In 2006-2007, fuel costs proved yet again to be extremely volatile and difficult to predict, due primarily to international demand, political issues, and refinery shortages. In response, $500,000 was added to the inventory appropriation in October 2006 to help fund the additional costs. Subsequent decrease in prices, followed by recent spikes in fuel costs leave this year's projections uncertain, however, $750,000 remains in a fuel usage reserve to address cost increases should they exceed the budget. The 2007-2008 budget assumes a 3% increase from the 2006-2007 Adopted Budget level based on the combined impact of changes in consumption levels and diesel and unleaded fuel costs. This allocation will need to be carefully monitored, and may require augmentation if prices continue to spike.

In an effort to implement more environmentally responsible measures, General Services transitioned their entire diesel fleet to biodiesel (B5) in 2006-2007. B5 is a blend of 5% biodiesel, a clean burning

Core Service: Fleet and Equipment Services

General Services Department

Performance and Resource Overview (Cont'd.)

alternative fuel made from renewable resources, and 95% petroleum diesel. General Services expects to eventually transition the diesel fleet to biodiesel (B20) (20% biodiesel and 80% petroleum diesel); however, more time is needed to determine what additional maintenance measures are necessary for this transition. As a result of the shift to B5, the percentage of the fleet that is alternative fuel vehicles has increased substantially, exceeding the 2006-2007 target of 9%.

	Fleet and Equipment Services Performance Summary	**2005-2006 Actual**	**2006-2007 Target**	**2006-2007 Estimated**	**2007-2008 Target**
🎯	% of equipment that is available for use when needed:				
	Emergency Vehicles	NEW	100%	100%	100%
	General Fleet	NEW	92%	92%	93%
🎯	% of fleet that is alternate fuel vehicles	9%	9%	35%	36%
🕐	% of fleet in compliance with replacement cycle:				
	Emergency Vehicles	NEW	100%	100%	100%
	General Fleet	NEW	86%	87%	88%

Changes to Performance Measures from 2006-2007 Adopted Budget: Yes[1]

[1] Changes to Performance Measures from 2006-2007 Adopted Budget:
↺ "% of fleet availability by class (of equipment)" was eliminated and replaced with "% of equipment that is available for use when needed" to provide easier understanding.
✕ "% of marked patrol fleet replaced within established utilization criteria" was deleted; measurement has not proven to be helpful in measuring performance.
↺ "% of fleet in compliance with replacement cycle by class (to be replaced/scheduled to be replaced" was eliminated and replaced with "% of fleet in compliance with replacement cycle" to provide easier understanding.

Core Service: Fleet and Equipment Services

General Services Department

Performance and Resource Overview (Cont'd.)

Fleet and Equipment Services Performance Summary (Cont'd.)	**2005-2006 Actual**	**2006-2007 Target**	**2006-2007 Estimated**	**2007-2008 Target**
Cost per mile or hours, by class (of equipment)				
Police	$0.31	$0.33	$0.29	$0.29
Fire	$3.26	$3.23	$2.95	$2.95
General Fleet Light	$0.34	$0.36	$0.29	$0.29
General Fleet Heavy	$1.28	$1.33	$1.13	$1.13
Off Road Light	$5.77	$4.76	$6.84	$6.84
Off Road Heavy	$34.81	$32.92	$33.94	$33.94
% of customers who rate service good or better based on:				
Timeliness	77%	77%	70%	70%
Convenience	90%	84%	90%	90%
Courtesy	97%	95%	95%	95%

Changes to Performance Measures from 2006-2007 Adopted Budget: Yes[1]

[1] Changes to Performance Measures from 2006-2007 Adopted Budget:
✕ "% of service work orders completed within 24 hours" has been deleted; replacement measure captures the status of preventive maintenance schedule compliance.

Activity & Workload Highlights*	**2005-2006 Actual**	**2006-2007 Forecast**	**2006-2007 Estimated**	**2007-2008 Forecast**
Total number of repair work orders	18,710	20,740	17,216	17,216
Total number of prescribed preventative maintenance work orders	6,283	6,595	5,566	5,566
Total number of vehicles and equipment	2,667	2,643	2,673	2,675

Changes to Activity & Workload Highlights from 2006-2007 Adopted Budget: No

* The Activity & Workload Highlights do not reflect the Radio Communications Program.

Core Service: Fleet and Equipment Services

General Services Department

Performance and Resource Overview (Cont'd.)

Fleet and Equipment Services Resource Summary	2005-2006 Actual 1	2006-2007 Adopted 2	2007-2008 Forecast 3	2007-2008 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	$ 7,981,221	$ 8,210,092	$ 8,667,509	$ 8,598,355	4.7%
Non-Personal/Equipment	2,323,717	2,429,384	2,644,796	2,637,865	8.6%
Inventory	6,461,768	6,744,199	6,954,940	6,954,940	3.1%
Total	**$ 16,766,706**	**$ 17,383,675**	**$ 18,267,245**	**$ 18,191,160**	**4.6%**
Authorized Positions	**89.50**	**89.50**	**89.50**	**88.50**	**(1.1%)**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes by Core Service

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES AND EQUIPMENT			
1. Vehicle Maintenance Staffing Equipment Efficiencies	**(1.00)**	**(76,085)**	**0**

This action eliminates an Equipment Mechanic Assistant position which has been vacant since July 2004. The duties of this position have been absorbed by existing staff. The reduction is possible due to a decreased fleet size, increased efficiencies within the Fleet Management unit, and the end, in 2006-2007, of the multi-year freeze on general fleet replacements. While no impacts to current service levels are anticipated, this reduction could negatively impact the Department's long-term ability to meet preventive maintenance schedules. (Ongoing savings: $76,085)

Performance Results:
No change to current service levels are anticipated as a result of this action.

2007-2008 Adopted Core Service Changes Total	**(1.00)**	**(76,085)**	**0**

Strategic Support CSA

Core Service: Health and Safety

Human Resources Department

Core Service Purpose

Provide services that ensure employee health, safety and well-being.

Key Operational Services:

☐ Workers' Compensation
☐ Risk Management
☐ Proactive Safety Program
☐ Employee Health Services

Performance and Resource Overview

A safe and healthy work environment is a vital concern to the City as an employer. The Health and Safety Core Service is charged with ensuring a safe workplace and healthy employees in compliance with all applicable state and federal regulations related to employee health and safety in the workplace. The Health and Safety Core Service supports the Strategic Support CSA Outcome: *A High Performing Workforce that is Committed to Exceeding Internal and External Customer Expectations.*

Workers' Compensation Program

The Workers' Compensation Program's main objective is to ensure injured employees receive adequate and appropriate treatment through an effective claim management process. The treatment plan may include medical treatment as well as rehabilitation. Workers' compensation costs are reflected in the City-Wide Expenses section of this document.

2006-2007 workers' compensation costs are projected to decrease from 2005-2006 levels. This can be attributed to the Workers' Compensation Cost Containment Program efforts in preventing and mitigating past claims and costs, as well as working with other City departments to foster safe work environments. Through March 2007, the total number of new claims remained at the same level as in March of 2006. However, the cost of all claims was $11.85 million, as compared to $12.10 million in 2005-2006, a decrease of $250,000, or 2%.

In 2007-2008, the major focus in the Workers' Compensation unit will continue to be the Workers' Compensation Cost Containment Program and Return-to-Work Program. Five new Workers' Compensation Claims Adjusters were approved to be added in order to assist with the administration of the Workers' Compensation Program and to proactively investigate claims. It is anticipated that these efforts will reduce costs and generate savings to the city that will more than offset the costs of these positions.

In addition, a temporary Senior Analyst position that was added as part of the 2005-2006 Annual Report to administer the Return-to-Work Program was approved to be converted to permanent status. This program provides services mandated by the Americans with Disabilities Act

Workers' Compensation Program (Cont'd.)

(ADA) and Fair Employment and Housing Act (FEHA) requirements, and was established to assist employees with work-related injuries and to find temporary or permanent work assignments for those who fall under legal disability.

Risk Management

For 2007-2008, Human Resources will absorb the Risk Management function and corresponding staffing (Administrative Manager, Office Specialist II, and a Senior Account Clerk), as well as corresponding non-personal/equipment funding, previously managed by the Finance Department. This will consolidate risk management and workers' compensation responsibilities under a single department. Accordingly, for 2007-2008, related Selected Operational Measures and Activity & Workload Highlight have been transferred to the Human Resources Department. The percentage of contracts processed for insurance clearance within five days of receipt is estimated to be 59% in 2006-2007. This is below its target of 67% and is primarily due to an increase in the anticipated number of contracts processed.

In 2007-2008, the City will develop an enterprise-wide risk management program to provide a more strategic, effective, and accountable approach to risk identification, reduction and control. A Risk Management Planning Board will be created to oversee the development of a city-wide Risk Management Policy to provide a framework for managing risks and for assigning appropriate responsibilities and accountabilities. The Board will be comprised of the Finance Director, the Human Resources Director, a City Attorney's representative, a Deputy City Manager, and other appropriate staff as required.

Proactive Safety Program

In 2007-2008, the Safety program will focus on implementing the workers' compensation gain sharing program approved by City Council on January 30, 2007. The gain sharing program is an initiative to encourage departments to create a culture of safety and to reduce injuries and costs to the city by providing incentives. In addition, Human Resources will continue to assist departments with the assessment of their safety programs, using the Eight-Point Safety guidelines as a tool. The guidelines are based on best safety practices and management's commitment to create a culture of safety.

The addition of a Senior Analyst position was approved to provide additional assistance to client departments to reduce injuries and to work more proactively in loss control.

Employee Health Services

Employee Health Services (EHS) provides employee medical exams and testing which are mandated by the Occupational Safety and Health Administration (OSHA), as well as those that are contractually mandated. The services include hearing tests, lung function tests, physical

Employee Health Services **(Cont'd.)**

examinations, laboratory blood testing, vision testing and other testing as needed. EHS also ensures compliance with post-offer medical legislation, such as medical clearance for Commercial driver's licenses mandated by the Department of Motor Vehicles; drug testing for compliance with Federal Motor Carrier Safety Administration; and medical advice to help the City comply with the ADA and FEHA requirements.

In 2007-2008, EHS will continue to maintain compliance with governmental and contractual requirements. In addition, the flu shot program will be transitioned to the City's healthcare providers, Kaiser and Blue Shield.

Health and Safety Performance Summary	2005-2006 Actual	2006-2007 Target	2006-2007 Estimated	2007-2008 Target
◎ Risk Management training hours per FTE: by Risk Management staff and total	0.01	0.01	0.01	0.01
◎ Number of Workers' Compensation claims per 100 FTEs	18.8	17.0	17.6	17.0
◎ Number of worker days lost per Workers' Compensation claim	21.8	18.0	18.0	17.0
◎ Number of worker days lost to injury per FTE	4.1	4.0	4.0	4.0
$ Expenditures for Workers' Compensation per $100 of total jurisdiction salaries and benefits	$4.47	$4.40	$4.30	$4.20

Changes to Performance Measures from 2006-2007 Adopted Budget: No

Selected Operational Measures	2005-2006 Actual	2006-2007 Forecast	2006-2007 Estimated	2007-2008 Forecast
🕐 Percentage of contracts processed for Insurance clearance within five days of receipt	51%	67%	59%	67%

Changes to Operational Measures from 2006-2007 Adopted Budget: No

Core Service: Health and Safety

Human Resources Department

Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2005-2006 Actual	2006-2007 Forecast	2006-2007 Estimated	2007-2008 Forecast
Number of open workers' compensation claims	3,926	4,200	4,200	4,200
Number of new workers' compensation claims	1,247	1,200	1,200	1,200
Number of employees trained in safety	299	100	200	200
Number of ergonomic evaluations	11	100	30	30
Total workers' compensation costs	$16.8	$16.5M	$16.2M	$16.2M
Total insurable value of the City's assets	$1.86B	$1.90B	$1.90B	$1.90B
Total number of contracts processed for insurance clearance	2,692	3,000	3,766	3,000

Changes to Activity & Workload Highlights from 2006-2007 Adopted Budget: No

Health and Safety Resource Summary	2005-2006 Actual 1	2006-2007 Adopted 2	2007-2008 Forecast 3	2007-2008 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	$ 2,768,562	$ 2,982,275	$ 3,393,163	$ 4,059,314	36.1%
Non-Personal/Equipment	244,991	469,479	458,188	395,888	(15.7%)
Total	**$ 3,013,553**	**$ 3,451,754**	**$ 3,851,351**	**$ 4,455,202**	**29.1%**
Authorized Positions	**28.50**	**28.50**	**31.50**	**38.50**	**35.1%**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)

A HIGH PERFORMING WORKFORCE THAT IS COMMITTED TO EXCEEDING INTERNAL AND EXTERNAL CUSTOMER EXPECTATIONS

1. Employee Flu Shots Transition		**(40,000)**	**(40,000)**

This action transitions the employee flu shot program to the City's healthcare providers, Kaiser and Blue Shield. As a result, non-personal/equipment funding previously allocated for employee flu shots will be eliminated. (Ongoing savings: $40,000)

Performance Results:
Cost, Customer Satisfaction Service levels will not be impacted as the City's healthcare providers will provide flu shots to employees as part of their contractual arrangement with the City.

2. Health and Safety Non-Personal/Equipment Efficiencies		**(33,300)**	**(33,300)**

This action reduces the non-personal/equipment budget by $33,300 as a budget balancing strategy. This reduction represents 7.2% of the total non-personal/equipment allocation for this core service and will be spread among the various categories. (Ongoing savings: $33,300)

Performance Results:
There will be no service level impact as a result of this action as the Department will control spending in discretionary categories.

3. Risk Management Program Non-Personal/Equipment Transfer		**11,000**	**11,000**

This action increases the non-personal/equipment budget by $11,000. The Risk Management function was transferred from the Finance Department to the Human Resources Department in the 2007-2008 Base Budget. Due to a timing issue, non-personal/equipment funding was not included in this transfer. A corresponding decrease to the Finance Department's non-personal/equipment allocation was also approved. (Ongoing savings: $11,000)

Performance Results:
Quality, Customer Service Quality and customer service levels will be maintained due to the reallocation of staffing and responsibilities.

4. Return to Work Program Staffing	**1.00**	**126,151**	**126,151**

This action converts a temporary Senior Analyst position to permanent status to coordinate the Return-to-Work Program. The Return-to-Work Program helps to ensure that the City is compliant with ADA/FEHA requirements to provide reasonable accommodations to injured employees, as well as reduces City liabilities and achieves cost savings. (Ongoing costs: $126,151)

Performance Results:
Cost, Customer Service The Return to Work Program will help to reduce costs to the City by reallocating injured employees and providing appropriate temporary work assignments and will also provide better customer service to injured employees.

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
A HIGH PERFORMING WORKFORCE THAT IS COMMITTED TO EXCEEDING INTERNAL AND EXTERNAL CUSTOMER EXPECTATIONS (CONT'D.)			
5. Workers' Compensation Program Staffing	**6.00**	**540,000**	**540,000**

This action adds five Workers' Compensation Adjuster positions and a Senior Analyst position to the Workers' Compensation Unit. These positions will proactively manage and investigate workers' compensation claims to reduce costs to the City. Funding for these positions will be offset by savings generated in the Workers' Compensation claims allocation that is displayed in the City-Wide Expenses section of this document. (Ongoing costs: $595,000)

Performance Results:
Cost, Quality These positions will help to reduce costs to the City by managing the Workers' Compensation Program and proactively investigating claims in order to determine their legitimacy and appropriate levels of compensation.

	Positions	All Funds ($)	General Fund ($)
2007-2008 Adopted Core Service Changes Total	**7.00**	**603,851**	**603,851**

Core Service: Manage and Support the Information Technology Infrastructure

Information Technology Department

Core Service Purpose

Enable the availability and relevancy of data and voice communications, and provide direct customer support and training for technology equipment and applications.

Key Operational Services:

- ☐ Core Infrastructure
- ☐ Telecommunications
- ☐ Servers
- ☐ Desktop Support
- ☐ Technical HelpDesk

Performance and Resource Overview

The purpose of the Manage and Support the Information Technology Infrastructure Core Service is to provide and manage voice and data communication services that enable internal and external customers to connect to City employees, services and systems. In support of the communication network, this core service assists customers in determining the equipment and software necessary for their requirements, and coordinates the installation of, training for, and support of the equipment and software. This core service contributes to the Strategic Support CSA's Outcome: *Effective Use of State-Of-The-Art Technology.*

Core Infrastructure (Voice and Data Services)

During 2006-2007, staff focused on five keys areas: 1) identifying opportunities for improving redundancy of the core network through possible expansion; 2) retirement of the Old City Hall Network Operations Center; 3) training and transition of the new infrastructure from Nortel's managed services; 4) migration from legacy hardware and software; and 5) improved security and availability of critical services.

The 2007-2008 target for customer satisfaction on availability of network services will remain at 80%. The elimination of night shifts, reduction to swing shift staff, and the continued deployment of new technologies such as voice over Internet protocol (VoIP) at City Hall have negatively impacted the Department's ability to meet customer expectations. It is estimated that customer satisfaction will be at the 70% level in 2006-2007. New technology features such as the expansion of the converged network to remote sites will result in greater demand on departmental resources as occupants learn new features of the system. It is expected that after this initial adjustment to the new technologies, customer satisfaction will increase to the 80% targeted level in 2007-2008.

The average duration of network outages during normal business hours in 2006-2007 is estimated at one hour, compared to the 2005-2006 forecast of four hours. Even with the addition of remote locations such as the Police Administration Building and the Central Service Yard, it is expected that the average duration of network outages in 2007-2008 will remain at one hour. This estimate is

Core Infrastructure (Voice and Data Services) (Cont'd.)

expected to decrease as network glitches are discovered and fixed. However, additional down time may occur as remote facilities, such as fire stations and community centers continue to use aging equipment.

In the area of voice and data services, several major projects took place during 2006-2007. Most notably, the Department supported the move of staff from the Departments of Transportation, Public Works and General Services to buildings G, B and F at the Central Service Yard facility through an expansion of the converged network to those locations. In addition, the Department implemented a consolidated call tree for the Customer Contact Center. This call tree provides self service options for utility billing information and represents a single number from which utility and services are available for residents and businesses in the City of San José. Finally, the integration of self service payment options in 2006–2007 from the call tree will streamline the City's ability to receive and process payments from customers in a timely fashion.

In 2006-2007, Nortel Managed Services for voice, data, and telecommunications were retained to train staff to assume those responsibilities. All areas of this transition were successful with the exception of the telecommunications unit, with several key retirements causing this transition of VoIP telephone maintenance to be delayed. Funding is programmed in 2007-2008 to retain Managed Services for one more year, giving City staff time to become sufficiently trained.

The City will endeavor to leverage the converged network infrastructure established at City Hall by upgrading off-site phone systems to VoIP whenever possible. In anticipation of being able to implement this strategy, the performance target for 2007-2008 "% of telecommunication work orders resolved within 3 days of receipt of repair order" has been maintained at 90%.

HelpDesk and Desktop Support

The HelpDesk is the first line of support when a City employee has a technology issue. If the HelpDesk cannot resolve the technology issue over the phone, HelpDesk support is deployed. The Desktop support team is dispatched to the customer's desktop to resolve issues requiring a physical presence. The merged team of technicians and engineers, while still supporting department-specific applications and hardware, has begun moving into a city-wide support model.

The HelpDesk has deployed several new self-help tools for customers, such as establishing an intranet presence in late 2006. This intranet site offers a myriad of information on topics such as procurement, hardware configurations, security alerts, and technical notices for customers. Information is updated as frequently as events occur or as new information from manufacturers and vendors becomes available. On the website, customers can create their own HelpDesk tickets, reset their passwords and search the knowledgebase for answers to their questions.

HelpDesk and Desktop Support (Cont'd.)

In 2006-2007, the Information Technology Department continued to refine customer service processes and internal communication. A working group was formed consisting of staff from all infrastructure teams and first level support. Biweekly meetings offer a forum where teams coordinate multi-group projects, formulate solutions to technical issues affecting multiple groups and discuss how to resolve customer service issues. This team also guides the development of a workplan for future improvements to the work order system. Looking forward to the effect of these improvements, the performance target for percent of non-urgent service request resolved within 4 hours has been increased to 95% in 2007-2008.

In pursuit of being the single point of contact for technology-related issues, new procedures were developed for event notifications, such as scheduled maintenance or unplanned outages. Using one point of contact allows the Department to convey information in a consistent manner. It also allows incoming questions or comments to be received and routed efficiently for follow-up. Notifications are sent via multiple channels, such as email, posting on the website and/or phone tree messages, depending on the severity or urgency of the message.

The work order system used to track service requests was upgraded and additional features were added. These improvements to the system helped first level support staff to resolve more calls, both in volume and type of call. In addition, the changes assist us in providing a more consistent customer service experience from all teams. Finally, these updates allow the Department to plan for the future expansion of the work order system to include applications groups

Core Service: Manage and Support the Information Technology Infrastructure

Information Technology Department

Performance and Resource Overview (Cont'd.)

Manage and Support the Information Technology Infrastructure Performance Summary	2005-2006 Actual	2006-2007 Target	2006-2007 Estimated	2007-2008 Target
🎯 % of network services available during normal business hours				
- Old City Hall central network	100%	100.00%	100%	N/A
- City Hall network	99.96%	99.95%	99.95%	99.95%
- Telephones	99.95%	99.95%	99.95%	99.95%
🕐 % of telecommunication work orders resolved within 3 days of receipt of repair order	66%	90%	70%	90%
🕐 % of service requests resolved within established guidelines:				
- 1 hour for urgent requests	88%	98%	88%	90%
- 4 hours for all other requests	99%	80%	99%	95%
🎗 % of total customer response with good or excellent rating on availability of network services	64%	80%	70%	80%
🎗 % of customers rating customer support as good or excellent				
- based on timeliness	70%	70%	70%	70%
- based on quality of service	73%	70%	70%	70%

Changes to Performance Measures from 2006-2007 Adopted Budget: No

Activity & Workload Highlights	2005-2006 Actual	2006-2007 Forecast	2006-2007 Estimated	2007-2008 Forecast
Number of network outages	1	5	1	2
Number of network outages during normal business hours	1	3	1	2
Average time of network outages during normal business hours	105 minutes	1 hour	1 hour	1 hour
Number of telephones	5,300	3,500	5,000	3,500
Number of managed services IP phones	2,200	4,000	2,500	4,000
Number of telecommunication repair orders	784	2,000	1,200	1,500
Number of desktop support service requests	12,163	10,000	10,300	11,000

Changes to Activity & Workload Highlights from 2006-2007 Adopted Budget: No

Core Service: Manage and Support the Information Technology Infrastructure

Information Technology Department

Performance and Resource Overview (Cont'd.)

Manage and Support the IT Infrastructure Resource Summary	2005-2006 Actual 1	2006-2007 Adopted 2	2007-2008 Forecast 3	2007-2008 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	$ 4,437,512	$ 5,015,798	$ 5,368,554	$ 5,428,554	8.2%
Non-Personal/Equipment	1,108,852	3,709,058	4,624,691	4,890,907	31.9%
Total	**$ 5,546,364**	**$ 8,724,856**	**$ 9,993,245**	**$ 10,319,461**	**18.3%**
Authorized Positions	**44.00**	**44.00**	**45.45**	**45.45**	**3.3%**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Core Service: Manage and Support the Information Technology Infrastructure

Information Technology Department

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)

EFFECTIVE USE OF STATE-OF-THE-ART TECHNOLOGY

1. Information Technology Non-Personal/Equipment Efficiencies		**(161,045)**	**(161,045)**

This action reduces the non-personal/equipment funding in the Information Technology Department, Manage and Support the Information Technology Infrastructure Core Service by $81,045. The Department will control spending in all discretionary categories in non-personal/equipment with no anticipated service level reduction from this action. In addition, this action will eliminate Cisco Smartnet hardware maintenance support by $80,000. Since the City's converged network is constructed primarily on Nortel technology, Cisco hardware maintenance contracts can be significantly reduced with no anticipated service level reduction. (Ongoing savings: $161,045)

Performance Results:
No impacts to current performance levels are anticipated as a result of this action.

2. Expanded Electronic Storage		**325,000**	**325,000**

This action provides one-time funding in the General Fund to meet the unique data storage needs that will be required for the new retention and retrieval rules resulting from the Sunshine Reform ordinances and policies. This action will allow for increased storage and improved retrieval tools necessary to address concerns raised by the City's Attorney's Office over new Electronic Discovery requirements. (Ongoing costs: $0)

Performance Results:
Customer Service Expansion of electronic storage to accommodate increased storage requirements will support Sunshine and electronic discovery requirements.

3. City Hall Telephone Maintenance Technical Support		**100,000**	**100,000**

This action provides one-time funding for an additional year of Nortel managed services support in the area of telecommunications. In 2006-2007, Nortel Managed Services for voice, data and telecommunications were retained to train staff to assume those responsibilities. All areas of this transition were successful with the exception of the Telecommunications unit, due to the retirement of trained personnel. This action will allow funding for an additional year ($100,000) of managed services support in the telecommunications unit so that new and existing staff can become sufficiently trained in VoIP technology maintenance. (Ongoing costs: $0)

Performance Results:
Cycle Time The percentage of telecommunications work orders resolved within 3 days is expected to increase from an estimated 70% in 2006-2007 to meet the 90% target for 2007-2008.

Core Service: Manage and Support the Information Technology Infrastructure

Information Technology Department

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)

EFFECTIVE USE OF STATE-OF-THE-ART TECHNOLOGY (CONT'D.)

4. Information Technology After Hours Technical Support		**60,000**	**60,000**

This action provides ongoing overtime funding for non-business hours technical support. As a result of this action, the Information Technology Department will be able to provide technical support for critical business applications such as payroll, Financial Management System, Integrated Billing System, and the Computer Aided Dispatch system when failures occur after normal business hours. (Ongoing costs: $60,000)

Performance Results:
Quality, Customer Service The percentage of time data is available is anticipated to reach 100% during 2007-2008.

5. Rebudget: Unanticipated Minor Applications and Network Maintenance		**2,261**	**2,261**

This action rebudgets unexpended 2006-2007 funds for unanticipated minor applications and network maintenance. (Ongoing costs: $0)

Performance Results: N/A (Final Budget Modification)

2007-2008 Adopted Core Service Changes Total		**326,216**	**326,216**

Core Service: Performance Development

Human Resources

Core Service Purpose

Provide organizational and workforce development programs that build the performance capacity of employees and enable service delivery results that meet customer expectations.

Key Operational Services:

Workforce Development:
- ☐ City-wide Mentoring Program
- ☐ City-wide Employee Recognition
- ☐ New Employee Orientation
- ☐ Leadership and Management Training

Organizational Development:
- ☐ City-wide Skill Training
- ☐ Succession Planning/Diversity Strategy
- ☐ Community and Employee Surveys
- ☐ Contracting–In Program

Performance and Resource Overview

The Performance Development Core Service strives to develop and engage individual employees as valuable and valued members of a high-performing workforce and promote evaluation and performance improvement of service delivery systems and practices. This core service contributes to the Strategic Support CSA's Outcome: *A High Performing Workforce that is Committed to Exceeding Internal and External Customer Expectations.*

Workforce Development

City-wide Mentoring Program The Mentoring Program is a core component of the City's new Succession Planning and Diversity Strategy and matches employees who wish to either receive or provide career mentoring support. Over 90% of the mentors/mentees rated the effectiveness of the program as "good" or "excellent" in meeting program objectives, and over 98% would recommend it to other City employees. In 2006-2007, 170 pairs of mentors/mentees have enrolled, far surpassing the target of 120. For 2007-2008, the target will be increased to 140 mentor/mentee pairs.

City-wide Employee Recognition The 2004 and 2006 Employee Surveys both found that while 80% of employees are satisfied with their jobs, only about half of survey respondents were satisfied with the level of recognition they received from the City for doing a good job. To address this perception, the City Manager and Human Resources Department sponsored a city-wide effort to revitalize employee recognition in 2006-2007. Two elements of this effort are the city-wide Employee Recognition Team and the Employee Values Project.

The City-wide Employee Recognition Team is comprised of approximately 20 employee volunteers who administer the revitalized recognition program under the guidance of the Performance Development Division. To date, the Team has branded the RECOGNIZE! logo to clearly identify

Workforce Development (Cont'd.)

city-wide recognition efforts. A key team activity for the year included the December 8, 2006 Employee Recognition "kickoff" event at the California Theater. The nearly 600 City employees attending heard special guest Mike Robbins speak on "The Power of Appreciation" and were given an opportunity to practice acknowledgement and recognition of fellow employees. The successful event was repeated for another 500 employees on April 12, 2007.

In 2007-2008, Recognition Team members will continue communications and outreach to all departments, including training and assistance in recognition methods, as well as the recruitment of recognition "ambassadors" for each department. In addition, one-time city-wide funding of $50,000 was added for 2007-2008 in order to restore service awards and support additional recognition awards.

The Employee Values Project was coordinated by a team of six members of the 2006 Art and Practice of Leadership class, in partnership with the Employee Recognition Team. They obtained input from hundreds of employees to create and refine a set of six core values: **Integrity, Innovation, Excellence, Collaboration, Respect, and Celebration** that have been introduced as the criteria for the Pride of San José Awards, the annual awards for outstanding achievements by City employees. The Values Team further recommends that the six values be used not only as a basis for recognition, but also as guidelines for other City systems and processes, such as organizational identity, recruitment and hiring, promotion and retention, and performance evaluation.

New Employee Orientation (NEO) During 2006-2007, 13 sessions of NEO were offered to about 250 newly-hired employees. Session topics include organizational values, employee benefits, the recycling program, employee relations policies and practices, and an overview of the Council-Manager form of government, the current Mayor and City Council, and the employee labor environment.

Leadership and Management Training The Leadership and Supervision Academy (LSA) was offered twice in 2006-2007 with 70 supervisors receiving training on effective supervising. Of those who attended the most recent LSAs, over 90% rated the curriculum as "good" to "excellent" for relevance to job and career development.

The 2006 Art and Practice of Leadership (APL) program graduated another class of 25 managers from 12 departments. The purpose of this program is to train and develop a diverse and highly talented employee group to take on the highest levels of responsibility and leadership within the City organization. A total of 93% of participants rated the curriculum as good to excellent for relevance to job and career development and quality of instruction. Since its inception, approximately seventy staff members have graduated from APL, and close to 20% of the alumni have been promoted within the City.

Organizational Development

City-wide Skill Training At the direction of the City Manager, staff initiated executive-level public speaking courses for Senior Staff. This included an intensive two-day training, assignments and individual coaching sessions. This training will be offered in the future to other identified City work teams. Overall, 140 training courses were offered in 2006-2007. Course topics include computers, communication, project management, conflict resolution, safety and a variety of City policies and procedures. By brokering new relationships within the community, staff worked with the County of Santa Clara's Dispute Resolution Services to provide certification programs in Communication Skills and Conflict Resolution Skills for over two hundred employees. Staff partnered with the Department of Planning, Building and Code Enforcement in order to deliver training to all 360 of their employees in conflict resolution skills.

Succession Planning/Diversity Strategy Workforce statistics show that nearly one-third of the City's 6,800 employees will be eligible to retire within the next five years. In 2006-2007, a Senior Analyst and funding for consulting services were added to support the initial stages of the Succession Planning and Diversity Strategy. The position was filled in October 2006, and the consultant will begin work in fall 2007.

The Strategy's goals are to equip colleagues at all levels to address upcoming staffing and service delivery changes, caused primarily by anticipated staff retirements, and to cultivate a diverse workforce and an inclusive workplace where all forms of diversity are maximized, including work style, leadership, generational, cultural, ethnic and gender-related diversity.

Key activities in 2006-2007 included co-hosting the Inaugural Women in Leadership Summit where 150 California local government leaders gathered for a day of professional development and networking; working with local agencies and municipalities to create an accredited Bay Area public sector college curriculum; coordinating with San José State University students, professors and City staff to link the City and University through internships, continuing education and promotion of public sector career opportunities (Public Sector Career Initiative); and a partnership with Junior Achievement Silicon Valley to host 60 local students for a day of learning activities and off-site visits with colleagues from 15 different City departments (Job Shadow Day).

Community and Employee Surveys The 2006 Employee Survey results, reported to Council in April 2007, showed that overall employee job satisfaction remained consistent with previous Surveys (80%) and is significantly higher than that of federal employees (68%) and a large private sector survey (71%). Overall, the survey results reflect positive perceptions about San José and the working environment; however as mentioned above, survey responses also indicated that only about half of respondents believed the City valued them as employees. In addition, new succession planning and diversity-oriented Survey questions were added in 2006 to help guide the newly emerging Succession Planning and Diversity Strategy.

Performance and Resource Overview (Cont'd.)

Organizational Development (Cont'd.)

Contracting-In Program The Contracting-In (CI) Program was continued in 2006-2007 as part of a strategy to mitigate the impact of budget reductions. Under the program, contractual services are evaluated for opportunities to "contract-in" using City employees while maintaining service levels and cost-effectiveness. In 2006-2007, the CI process was used to analyze well over 100 proposed contracts for services ranging from architectural design to building maintenance to determine the most cost-effective alternative to delivering these services, and will remain a valuable tool to minimize the potential impact of 2007-2008 budget reductions on City employees.

In 2007-2008, a vacant Principal Budget Analyst position was approved to be eliminated. The responsibilities of this position will be transferred to the remaining staff of the Performance Development Division.

Performance Development Performance Summary	2005-2006 Actual	2006-2007 Target	2006-2007 Estimated	2007-2008 Target
% of employees rating the effectiveness of training classes as "good" or "excellent" in meeting their principal training objective:				
- Current Job	95%	95%	96%	95%
- Career Development	93%	95%	93%	95%
- Personal Growth	NEW	95%	N/A*	95%
% increase in content knowledge as a result of training:				
- Art and Practice of Leadership	NEW	20%	24%	25%
- Leadership & Supervision Academy	NEW	35%	23%	25%
% of Supervisors rating improvement in Participants' job performance as "good" or "excellent" :				
- Art and Practice of Leadership	NEW	85%	95%	85%
- Leadership & Supervision Academy	NEW	85%	N/A*	85%

Core Service: Performance Development

Human Resources

Performance and Resource Overview (Cont'd.)

	Performance Development Performance Summary	2005-2006 Actual	2006-2007 Target	2006-2007 Estimated	2007-2008 Target
🕒	% of City-wide skill training requests filled within time objectives	92%	85%	91%	90%
🎗	% of customers satisfied or very satisfied with City-wide skill training services (4 or better on a 1-5 scale)	92%	90%	90%	90%
🎗	% of employees who are satisfied or very satisfied with the recognition received for doing a good job.	47%	NEW	48%	48%
🎗	% of hiring managers who believe that candidates (or candidate pools) are "prepared" or "well prepared" to perform successfully in the positions they are seeking.	NEW	NEW	NEW	NEW*
🎗	% of hiring managers rating themselves as "prepared" or "well prepared" to meet workforce/ succession planning challenges	NEW	NEW	NEW	NEW*

Changes to Performance Measures from 2006-2007 Adopted Budget: Yes[1]

[1] Changes to Performance Measures from 2006-2007 Adopted Budget:
+ "% of employees who are satisfied or very satisfied with recognition" measure was added to measure the impact of City-wide and departmental Employee Recognition programs.
+ "% of hiring managers who believe that candidates are 'prepared' or 'well prepared'" measure was added to determine the organization's ability to get the right person to the right job.
+ "% of hiring managers rating themselves as 'prepared' or 'well prepared'" measure was added to determine employee understanding of the need for succession planning.

* Insufficient data to report on this new measure for 2006-2007. Baseline measures will be determined in 2007-2008 so that target measures can be set in the future years.

Activity & Workload Highlights	2005-2006 Actual	2006-2007 Forecast	2006-2007 Estimate	2007-2008 Forecast
Number of city-wide mentoring pairs Entering/Completing Program	NEW	120/102	170/145	140/112
Cumulative % of Supervisory Positions that are graduates of the Leadership and Supervision Academy	NEW	85%	80%	75%
Catalog Skill Training Courses:				
Number of training classes offered	160	160	148	100
Number of training hours provided	710	750	630	460
Number of training registrations processed	2,226	2,300	2,100	1,400
Number of training attendees	1,222	1,250	1,120	1,100

Changes to Highlights from 2006-2007 Adopted Budget: No

Performance and Resource Overview (Cont'd.)

Performance Development Resource Summary	2005-2006 Actual 1	2006-2007 Adopted 2	2007-2008 Forecast 3	2007-2008 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	$ 199,879	$ 600,179	$ 585,053	$ 419,565	(30.1%)
Non-Personal/Equipment	328	101,000	1,000	116,000	14.9%
Total	**$ 200,207**	**$ 701,179**	**$ 586,053**	**$ 535,565**	**(23.6%)**
Authorized Positions	**4.00**	**5.00**	**5.00**	**4.00**	**(20.0%)**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)

A HIGH PERFORMING WORKFORCE THAT IS COMMITTED TO EXCEEDING CUSTOMER EXPECTATIONS

1. Performance Development Management Staffing	**(1.00)**	**(165,488)**	**(165,488)**

This action eliminates a vacant Principal Budget Analyst Position in the Performance Development Core Service. The responsibilities of this position will be shifted to remaining staff, which includes two Senior Analysts, a Staff Technician, and a Training Specialist. (Ongoing savings: $165,488)

Performance Results:
No impact to current service levels are anticipated as a result of this action as oversight of the Performance Development unit will be shifted to existing management staff.

2. Rebudget: Workforce Planning		**115,000**	**115,000**

This action rebudgets $115,000 in non-personal/equipment funding for Diversity and Workforce Planning contractual services and for City-wide employment testing. (Ongoing costs: $0)

Performance Results: N/A: Final Budget Modification

2007-2008 Adopted Core Service Changes Total	**(1.00)**	**(50,488)**	**(50,488)**

Core Service: Plan, Design and Construct Public Facilities and Infrastructure

Public Works Department

Core Service Purpose

Plan, design and construct public facilities and infrastructure.

Key Operational Services:

- ☐ Airport Infrastructure
- ☐ Parks and Recreation Facilities
- ☐ Public Buildings
- ☐ Public Safety
- ☐ Streets and Transportation Facilities
- ☐ Storm Sewers and Sanitary Sewers

Performance and Resource Overview

Public Works Department responsibilities in this core service focus on the plan, design and construction of public facilities and infrastructure. This core service supports a number of other City Service Areas (CSAs), including Transportation and Aviation Services, Public Safety, Neighborhood Services, and Environmental and Utility Services. It is a primary partner in the Strategic Support CSA and supports the following outcome: *Safe and Functional Public Infrastructure, Facilities, Materials and Equipment.*

The City's Capital Improvement Program continues to bring significant improvements that meet the needs and expectations of San José residents. A growing City population requires the expansion of air travel capacity, improvements in traffic and parking, replacements of aged storm and sanitary sewer systems, new and renovated recreational facilities and libraries, and improvements in public buildings that house staff that provide City services. The Public Works Department is able to provide a variety of services depending upon the needs of the client department. These services include design, engineering, inspection, construction management; and technical services; including materials testing, surveying, and real estate acquisition.

In 2007-2008, it is anticipated that the Public Works Department will manage $727 million in construction projects. These projects include the ongoing construction of library, parks and public safety bond and Airport Master Plan projects. This core service will continue to focus on the effective delivery of capital improvement projects and achieving project delivery design and construction goals. For 2007-2008, a capital funded workforce of 273.5 staff members will provide the services listed above for the City's Capital Improvement Program (CIP). The Department will manage resources as necessary to ensure all work programmed for 2007-2008 is completed.

The **Airport Infrastructure** operational service supports Transportation and Aviation CSA outomes: *Travelers have a Positive, Reliable, and Efficient Experience*; and *Preserve and Improve Transportation Assets and Facilities.* The Public Works Department contributes to the implementation of the Airport Master Plan by providing engineering and construction management services for the

Core Service: Plan, Design and Construct Public Facilities and Infrastructure

Public Works Department

Airport CIP. The revised Airport Master Plan, approved by the City Council in June of 2006, is estimated to cost between $1.2 and $1.5 billion through 2017. The first elements of these revisions were included in the 2007-2011 Adopted CIP and are continued in the 2008-2012 Adopted CIP.

The **Streets and Transportation Facilities** operational service supports the Transportation and Aviation Services CSA outcome: *Preserve Transportation Assets and Facilities.* Given a somewhat improved revenue picture in the Traffic Capital Program due to federal and State grants, the Pavement Maintenance program will include more street resurfacing and surface seal treatments. Staff has also been successful in delivering new and upgraded streetlights to San José residents although in limited numbers due to reduced funding and the maintenance and operating impacts. The 2007-2008 Streetlight program will be limited to Redevelopment Agency/Strong Neighborhoods Initiative funded pedestrian lighting projects, Community Development Block Grant funded streetlight projects, and monitoring new technology trends for street application that will reduce maintenance and operating impacts.

The **Parks and Recreation Facilities** and **Public Buildings** operational services support three Neighborhood Services CSA outcomes: *Safe and Clean Parks, Facilities and Attractions; Vibrant Cultural Learning and Leisure Opportunities*; and *Healthy Neighborhoods and Capable Communities.* The Public Works Department is collaborating with the Parks, Recreation and Neighborhood Services Department on the design of several major projects, including the Happy Hollow Park and Zoo Improvements project. Project elements include the complete renovation of the attractions area and the demolishing and rebuilding of the zoo. In 2007-2008, it is expected that four new branch libraries will be completed: Edenvale, Joyce Ellington, Pearl Avenue, and Willow Glen. There are no new community centers scheduled for completion until 2008-2009.

The **Public Buildings** operational service also supports the Strategic Support CSA outcome: *Safe and Functional Public Infrastructure, Facilities and Equipment.* The completion of Phase II of the Central Service Yard project in the summer of 2007 marks the end of a period in which Public Works has provided design and construction services for major public building projects, which included City Hall and the City Hall Parking Garage.

The **Public Safety** operational service supports the Public Safety CSA outcome: *The Public Feels Safe Anywhere, Anytime in San José.* Public Works provides design and construction services for the improvements to public safety buildings and sites which are part of the $159 million Public Safety Program, funded by the Neighborhood Security Act Bond Measure. In addition to providing technical services, Public Works collaborates with the Police and Fire Departments to provide program management services, including financial monitoring, and coordination of the Public Safety Citizen's Oversight Committee.

Core Service: Plan, Design and Construct Public Facilities and Infrastructure

Public Works Department

Performance and Resource Overview (Cont'd.)

The **Storm Sewers and Sanitary Sewers** operational service supports the Environmental and Utility Services CSA outcome *Reliable Utility Infrastructure*. Public Works is responsible for providing master planning, design and construction management services, and financial management of the Storm Sewer and Sanitary Sewer CIP.

The 900-mile Storm Sewer System collects and conveys storm water runoff to nearby creeks and rivers. Major projects budgeted in the 2007-2008 Adopted Storm Sewer System CIP include capital improvement projects and urgent or emergency storm drainage projects. An approved Storm Sewer Service Charge rate increase will provide funding for these projects.

The Sanitary Sewer System consists of approximately 2,200 miles of sewer mains ranging from six to 90 inches in diameter. The system serves the City, as well as three other jurisdiction, and conveys sewage to the San José/Santa Clara Water Pollution Control Plant (WPCP). The value of the system is estimated at $4 billion.

Funding in the Sanitary Sewer capital program totals $121.1 million over the 2008-2012 CIP, of which $52.6 million is allocated in 2007-2008. Over the next five years, the majority of program funding ($69.3 million) will be focused on high priority capacity enhancement projects in Central and North San José, which are identified by the Sanitary Sewer Capacity Assessment Master Plan Phase I. In recognition of Council's attention to neighborhood services, additional emphasis is also being given to the study, design, and implementation of neighborhoods service sanitary sewer rehabilitation projects over the next five years to support the improvement of local neighborhood sewer systems.

Core Service: Plan, Design and Construct Public Facilities and Infrastructure

Public Works Department

Performance and Resource Overview (Cont'd.)

	Plan, Design and Construct Public Facilities and Infrastructure Performance Summary	2005-2006 Actual	2006-2007 Target	2006-2007 Estimated	2007-2008 Target
◎	% of delivered projects that attain established design and construction goals	86%	85%	85%	85%
◎	% of projects completed within the approved baseline budget	85%	90%	79%	90%
$	% of projects delivered at or below the 75 percentile of delivery costs for similar projects by large California cities*	N/A	N/A	85%	85%
🕒	% of projects designed and constructed by Public Works within approved baseline schedule	N/A*	85%	70%	80%
🎗	% of customers rating design and construction services as good or excellent based on accuracy, timeliness, and quality of final product	93%	80%	88%	80%

Changes to Performance Measures from 2006-2007 Adopted Budget: Yes[1]

[1] Changes to Performance Measures from 2006-2007 Adopted Budget

↺ "% of Public Works costs (exclusive of city-wide overhead) for the design and construction phases of a project compared to total construction costs for completed projects" was eliminated and revised to "% of projects delivered at or below the 75th percentile of delivery costs for similar projects by large California cities". The revision introduces an improved methodology which captures more complete project delivery costs and sets targets based on benchmarks by project cost and type.

* This new measure, which is derived from the 2006-Multi-Agency CIP Benchmarking Study, would allow Public Works to set more meaningful delivery cost targets based on project size and type categories. Tracking delivery costs in better defined categories would help Public Works identify the types of projects that are normally subject to higher or lower delivery costs and improve the accuracy of cost estimates. A chart detailing delivery cost targets by category can be found after the Activity and Workload Highlights section of this core service. It should be noted that delivery cost is sometimes calculated by dividing the delivery (soft) costs by the total project budget. This measure calculates a delivery cost percentage by dividing the delivery (soft) costs by the amount of the construction contract. While the resulting percentage will be larger than the one produced by the other methodology, using the construction contract amount as the denominator is consistent with the methodology used by other California agencies to benchmark delivery costs.

Strategic Support CSA

Core Service: Plan, Design and Construct Public Facilities and Infrastructure

Public Works Department

Performance and Resource Overview (Cont'd.)

	Selected Operational Measures	2005-2006 Actual	2006-2007 Target	2006-2007 Estimated	2007-2008 Target
🕐	Operational Service: Airport Infrastructure % of projects designed and constructed by Public Works within approved baseline schedule	100% (1 of 1)	85%	100% (3 of 3)	85%
🕐	Operational Service: Parks & Recreation Facilities % of projects designed and constructed by Public Works within approved baseline schedule	74% (14 of 19)	85%	63% (12 of 19)	85%
🕐	Operational Service: Public Buildings % of projects designed and constructed by Public Works within approved baseline schedule	50% (1 of 2)	85%	0% (0 of 3)	85%
🕐	Operational Service: Streets & Transportation % of projects designed and constructed by Public Works within approved baseline schedule	100% (25 of 25)	85%	88% (23 of 26)	85%
🕐	Operational Service: Storm Sewers & Sanitary Sewers % of projects designed and constructed by Public Works within approved baseline schedule	100% (7 of 7)	85%	94% (15 of 16)	85%

Changes to Operational Measures from 2006-2007 Adopted Budget: No

Activity & Workload Highlights	2005-2006 Actual	2006-2007 Forecast**	2006-2007 Estimated**	2007-2008 Forecast***
Number of construction projects delivered	82	85	83	80
Total construction cost of projects*	$114,590,000	$163,000,000	$153,273,000	$114,000,000

Changes to Activity & Workload Highlights from 2006-2007 Adopted Budget: No

* For multi-year projects, the total construction costs are reflected in the year the project is completed rather than spread over multiple years.

** The 2006-2007 Forecast and Estimate figures include the total construction costs for all construction projects implemented by Public Works.

*** The 2007-2008 Forecast include projects that are currently in the Capital Project Management System.

Core Service: Plan, Design and Construct Public Facilities and Infrastructure

Public Works Department

Performance and Resource Overview (Cont'd.)

Public Works Project Delivery Cost Targets

PROJECT TYPE	Total Construction Cost	Delivery Cost Target*
MUNICIPAL FACILITIES PROJECTS		
Libraries	$2M - $3.5M	50%
	$3.5M - $4M	44%
	> $4M	41%
Police/Fire Stations	$0.1M - $0.6M	58%
	$0.6M - $3M	52%
	> $3M	45%
Community Bldg /Rec Ctr/Child Care/Gym	$0.1M - $0.4M	64%
	$0.4M - $1.5M	60%
	> $1.5M	55%
Airport Improvements	TBD[1]	TBD[2]
Miscellaneous Municipal Improvements	TBD[1]	TBD[2]
STREETS PROJECTS		
Widening/New/Grade Separation	$0.1M - $0.6M	65%
	$0.6M - $5M	59%
	> $5M	44%
Bridge[2]	$0.1M - $0.3M	104%
	$0.3M - $2M	93%
	> $2M	68%
Reconstruction	$0.1M - $0.6M	53%
	$0.6M - <$1M	50%
	> $1M	48%
Bike / Pedestrian / Streetscape	$0.1M - $0.3M	78%
	$0.3M - $0.6M	65%
	> $0.6M	57%
STREETS PROJECTS (Cont'd.)		
Signals	$0.1M - $0.2M	59%
	$0.2M - $0.5M	55%
	> $0.5M	49%
PIPE SYSTEMS		
Gravity Systems	$0.1M - $0.5M	51%
	$0.5M - $1.1M	45%
	> $1.1M	42%
Pressure Systems	$0.1M - $0.5M	35%
	$0.5M - $0.9M	35%
	> $0.9M	34%
Pump Station	$0.1M - $0.7M	53%
	$0.7M - $3M	50%
	> $3M	44%
PARKS PROJECTS		
Playgrounds	$0.1M - $0.3M	58%
	$0.3M - $0.5M	52%
	> $0.5M	45%
Sportfields	$0.1M - $0.3M	39%
	$0.3M - $0.7M	39%
	> $0.7M	39%
Trails	TBD[2]	TBD[2]
Restrooms[3]	$0.1M - $0.2M	68%
	$0.2M - $0.3M	74%
	> $0.3M	102%

*The Project Delivery Cost Target is derived from the 2006 California Multi-Agency CIP Benchmarking Study. The numbers here reflect the 75th percentile of delivery costs It represents the upper value of the 50% confidence interval for the Project Delivery Cost range established for each specific project type.

The Project Delivery Cost % is calculated as follows:
[All project staff/consultant costs (including overhead costs; excluding real estate costs)]÷[Total Construction Costs] x 100%

[1] This range/target is to be determined because the project type is not yet categorically addressed in the Benchmarking Study.

[2] Project Delivery Cost for this project type is high due to higher design/engineering costs relative to lower construction costs.

[3] Project Delivery Cost for this project type is high due to inherent project-related costs relative to lower construction costs.

Core Service: Plan, Design and Construct Public Facilities and Infrastructure

Public Works Department

Performance and Resource Overview (Cont'd.)

Plan, Design, and Construct Public Facilities and Infrastructure Resource Summary	2005-2006 Actual 1	2006-2007 Adopted 2	2007-2008 Forecast 3	2007-2008 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	$ 29,133,842	$ 30,376,585	$ 31,338,710	$ 31,152,202	2.6%
Non-Personal/Equipment	375,032	188,920	422,077	422,077	123.4%
Total	**$ 29,508,874**	**$ 30,565,505**	**$ 31,760,787**	**$ 31,574,279**	**3.3%**
Authorized Positions	**284.13**	**275.31**	**275.83**	**272.83**	**(0.9%)**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES, MATERIALS AND EQUIPMENT			
1. Capital Improvement Program Staffing Realignment	**(3.00)**	**(304,091)**	**0**

This action shifts 3.0 positions (2.0 Engineers and 1.0 Associate Engineering Technician) that currently support the Capital Improvement Program (CIP) to the Public Works Development Fee Program, which is reflected in the Regulate/Facilitate Private Development Core Service in the Community and Economic Development CSA. The demand for improved service in the Fee Program, combined with a decrease in projects supported by the CIP, necessitates this shift in order for the Fee Program to keep up with workload demands. (Ongoing savings: $304,091)

Performance Results:
Quality, Cycle Time This action should have no effect on the quality or timeliness of project delivery as the approved reductions align with anticipated workload reductions in the CIP.

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES, MATERIALS AND EQUIPMENT (CONT'D.)			
2. Public Works Capital Improvement Program Staffing	**0.00**	**117,583**	**0**

Public Works staff has completed a department-wide staffing analysis for the 2007-2008 Capital Budget. The department has reviewed the budgeted projects in 2007-2008 and determined the appropriate classifications necessary to support those projects. As a result, the addition of several new positions, along with the elimination of several vacancies, were approved in this budget. In order to effectively support the construction of the Airport Terminal Area Improvement Project, the addition of 9.0 positions (1.0 Principal Accountant, 3.0 Associate Engineer, 1.0 Senior Engineer, 2.0 Associate Architect/Landscape Architect, and 2.0 Senior Architect/Landscape Architects) was included. As a result of the Department's analysis on the rest of the capital program, 9.0 positions (8.0 vacant and 1.0 filled), which previously supported a variety of capital programs, were eliminated. These reductions include 1.0 Accountant, 1.0 Senior Engineering Technician, 2.0 Senior Construction Inspectors, 1.0 Associate Construction Inspector, 1.0 Principal Construction Inspector, 1.0 Engineer, 1.0 Associate Engineer, and 1.0 Senior Architect/Landscape Architect. (Ongoing costs: $117,583)

Performance Results:
Quality, Cycle Time This action should have no effect on the quality or timeliness of project delivery as the approved additions and reductions align with anticipated workload adjustments in the capital budget.

2007-2008 Adopted Core Service Changes Total	**(3.00)**	**(186,508)**	**0**

Core Service: Provide Enterprise Technology Systems and Solutions

Information Technology Department

Core Service Purpose

Manage the City's data so that critical business processes remain operational; determine, develop, implement and support technology solutions that maximize the delivery of enterprise City services.

Key Operational Services:

- ☐ Database Administration
- ☐ Business Systems
- ☐ Integrated Billing System/ Customer Contact Center
- ☐ Geographic Information Systems
- ☐ Sunshine Reform/Web Design
- ☐ Content Management

The purpose of the Provide Enterprise Technology Systems and Solutions Core Service is to determine, develop, support, and administer critical data systems to ensure the quality and availability of data in a manner that meets the organizational needs of the City. This core service contributes to the Strategic Support CSA's outcome: *Effective Use of State-Of-The-Art Technology.*

Database Administration

In 2006-2007, efforts continued to identify information from the City's business applications that need to be shared and stored in a central location. The central data store contains information from the City's Financial Management System (FMS), Human Resources/Payroll, San José Permits Online, Geographic Information System (GIS), and Business License systems. Current applications that use the shared data include the Capital Projects Management System (CPMS) and San José Permits Online applications, as well as several other departments using the database for analytical purposes. While this storage method is useful for interfacing applications, it is not an efficient tool for performing analysis and forecasting as it does not allow user-friendly access to regular users. A data warehouse allows non-technical staff to perform computer-generated analyses without direct IT assistance.

The city-wide data administration function includes monitoring, maintenance, and implementation of patches and upgrades, which improves the stability and performance of enterprise databases. Performance is measured by the enterprise level databases of the Financial Management System (FMS) and the PeopleSoft HR/Payroll System. The percentage of time data will be available during 2006-2007 is estimated to be 99%. The target for 2007-2008 remains at 100%.

Business Systems

With limited funding and minimal staffing levels, technology support staff strives to ensure that enterprise applications remain available, accessible, and current. The Financial Management System (FMS) underwent an upgrade that provides users with a Windows-based interface. The City's Time Card Front End (TCFE) and PeopleSoft HR/Payroll applications were enhanced to accommodate the special time reporting and project tracking needs of the Public Works Department. Further, the Oracle PeopleSoft HR/Payroll system was upgraded to version 8.9, which allows the City's system to remain on a supported platform and receive federal and State regulatory updates. In conjunction with the version 8.9 upgrade, a new vacation accrual process, a general ledger interface, and benefits administration improvements were implemented.

Oversight continued for a redirection of resources from central support of the existing VAX mainframe to support a network of integrated applications. A total of 124 applications ran on the VAX in 2004. By the end of 2006-2007, only one application for business tax licensing will remain. $1.5 million has been included in the 2007-2008 budget to migrate this application from the VAX mainframe to City Hall.

The implementation of Active Directory in 2004-2005 continues to reduce overlapping services currently provided by various City technology groups, and will eventually allow for single sign-on capabilities for future initiatives such as the Interactive Voice Recognition Corporate Phone directory application, PeopleSoft HR/Payroll application enhancements, Voice Over Internet Protocol (VoIP) unified messaging, and network based fax components. With the majority of its direct support departments migrated to Active Directory in 2006-2007, the Information Technology Department (ITD) will look to continue extending the above mentioned benefits to outlying departments.

The Department is anticipating being responsible for approximately 84% of the 9,300 email boxes city-wide in 2007-2008. This represents an increase from the 2006-2007 estimate of 7,800 due to an upgrade of the current email system to Exchange 2003 in 2006-2007. Exchange 2003 provides increased availability of email services through the use of a clustered email system, better disaster recovery through a comprehensive backup strategy, and improved functionality through new versions of Outlook Web Access. Although portions of the hardware purchased for the upgrade have been reallocated to higher projects, ITD continues its internal testing and anticipates completion of the rollout in 2007-2008.

Integrated Billing System (IBS)/Customer Contact Center

On May 10, 2005, the City Council adopted a resolution to execute an agreement for services between the City of San José and BearingPoint, Inc. to implement the Consolidated Utility Billing System (C-UBS). This integration of utility billing, customer service and performance management systems was re-named Integrated Billing System (IBS) to better reflect the enterprise-wide focus. The IBS system went "live" on July 12, 2006; and although training was provided to the Customer Contact Center staff, higher than anticipated call volumes led to unacceptable caller wait times and

Integrated Billing System (IBS)/Customer Contact Center **(Cont'd.)**

high abandonment rates. Oversight of the Customer Contact Center was assigned to the Chief Information Officer and staff implemented many improvements to address these issues beginning in August 2006, including the hiring and training of additional pool and temporary staff, software enhancements, and the establishment of performance targets and quality control processes for call takers. The conversion of 19 temporary Senior Office Specialist positions to permanent status (eight with a limit date of one year) is included in this budget. This should allow for consistent, stable staffing to support Customer Contact Center operations. At the conclusion of 2007-2008, the need for continuing the eight limit-dated positions will be re-evaluated.

In support of the mission to enable service delivery of customers, the City's Customer Contact Center will be incorporated into the Information Technology Department in 2007-2008. Two new measures, "% of Customer Service Contact Center calls answered within eight minutes" and "% of Customer Service Contact Center calls resolved within the first call" have been incorporated into performance and resource reporting to reflect this reorganization. The 2007-2008 target of 75% of calls answered within eight minutes and 75% of calls resolved within the first call represent contact center industry standards.

Geographic Information Systems (GIS)

On May 16, 2006, the City Council adopted the recommendation to release funds from the Geographic Information Systems (GIS) Reserve to establish a central repository where GIS information can be shared by departments. This central repository provides a vehicle where information is updated easily and accurately to achieve the integration objective of the reserve. Currently, nine City departments and the Redevelopment Agency use GIS technology to make decisions, share information, or deliver customer service. The City of San José also participates in a regional data-sharing agreement with the County of Santa Clara and the San José Water District. Public Safety's Computer Aided Dispatch (CAD) system now operates with street maps and other GIS data maintained by staff. On average, CAD dispatchers have reported finding fewer than four map errors for every 10,000 times that they access the GIS maps in response to an emergency call.

Efforts continue to establish an Enterprise GIS database. The plan is to use the address information from this GIS database to create a Unified Customer Database (UCD). The goal of the UCD is to identify customers in all financial and business applications (such as Customer, Utility Billing and Hauler Contract Management systems, Business License, Multiple Housing, and San José Permits Online) and provide an accurate master list of the latest information such as valid mailing addresses and contact information.

Sunshine Reform/Web Design

In response to Sunshine Reform recommendations, a process has been implemented which allows City elected officials to now post their calendars on the City website, making it possible to view appointments of the Mayor and City Council in one location online. Each office has the ability to post their calendars from the same software they use to maintain their existing calendars. In addition, a new room reservation system is being rolled out in a phased approach, and will serve as a foundation for establishing a city-wide master calendar of events.

Content Management

In 2005-2006, efforts commenced to define requirements for a city-wide electronic content management system in response to Mayor and City Council directives for processing Public Records Act requests and Sunshine Reform recommendations. Development of an RFP for a shared content management system to establish common tools and data management responses in support of shared and common applications such as web services, GIS, and Enterprise Content Management Systems (ECMS) was issued in 2006-2007. Based upon the needs of City departments and in light of Sunshine Reform measures, the time is right for the City to adopt an overall strategy for managing documents, business processes, and web content.

Core Service: Provide Enterprise Technology Systems and Solutions

Information Technology Department

Performance and Resource Overview (Cont'd.)

	Provide Enterprise Technology Systems and Solutions Performance Summary	2005-2006 Actual	2006-2007 Target	2006-2007 Estimated	2007-2008 Target
🎯	% of time data is available to approved data users during normal business hours	99%	100%	99%	100%
🎯	% of time system is available during normal business hours				
	- Email	99.995%	100.0%	99.0%	99.5%
	- Financial Management System	98.7%	99.0%	99.3%	99.0%
	- PeopleSoft (HR/Payroll)	99.7%	99.0%	98.9%	99.0%
🕒	% of Customer Contact Center calls answered within 8 minutes	NEW	NEW	NEW	75%
🕒	% of Customer Contact Center calls resolved within the first call	NEW	NEW	NEW	75%
🕒	% of service requests resolved within established guidelines:				
	- 1 hour for urgent requests	60%	70%	62%	70%
	- 4 hours for all other requests	60%	70%	60%	70%
🎗	% of customers rating data availability and quality of data as good or excellent				
	- availability	61%	80%	80%	80%
	- quality	77%	80%	80%	80%

Changes to Performance Measures from 2006-2007 Adopted Budget: Yes[1]

[1] Changes to Performance Measures from 2006-2007 Adopted Budget:
+ "% of Customer Contact Center Calls resolved within 8 minutes" measure was added to conform to industry standard.
+ "% of Customer Contact Center Calls resolved within the first call" measure was added to conform to industry standard.

Activity & Workload Highlights	2005-2006 Actual	2006-2007 Forecast	2006-2007 Estimated	2007-2008 Forecast
Number of centralized E-mail users	7798	9,300	7,800	9,300
Number of FMS users	795	900	825	900
Number of PeopleSoft users (HR/Payroll)	8,251	6,500	8,285	8,350
Number of application repair requests	995	1,100	1,300	1,500

Changes to Activity & Workload Highlights from 2006-2007 Adopted Budget: No

Core Service: Provide Enterprise Technology Systems and Solutions

Information Technology Department

Performance and Resource Overview (Cont'd.)

Provide Enterprise Technology Systems and Solutions Resource Summary	2005-2006 Actual 1	2006-2007 Adopted 2	2007-2008 Forecast 3	2007-2008 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	$ 3,846,468	$ 4,659,996	$ 7,077,120	$ 9,083,716	94.9%
Non-Personal/Equipment	1,790,010	1,711,709	698,526	760,733	(55.6%)
Total	**$ 5,636,478**	**$ 6,371,705**	**$ 7,775,646**	**$ 9,844,449**	**54.5%**
Authorized Positions	**34.50**	**35.50**	**62.05**	**86.55**	**143.8%**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes by Core Service

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
EFFECTIVE USE OF STATE-OF-THE-ART TECHNOLOGY			
1. Information Technology Website Support Staffing	**(0.50)**	**(43,914)**	**(43,914)**

This action eliminates a vacant 0.5 Senior Systems Applications Programmer PT position. This position provided website support to the City Clerk's Office, Human Resources Department, and the City Manager's Office. This position has been vacant since December 2005 and other staff members assumed the duties of this position. No reductions to current service levels are anticipated as a result of this action (Ongoing savings: $43,914)

Performance Results:

Cycle Time, Customer Satisfaction Since the duties of this position have been absorbed by other ITD staff members over time, customer satisfaction ratings and cycle times should remain constant at 70% and 80% respectively during 2007-2008.

Core Service: Provide Enterprise Technology Systems and Solutions

Information Technology Department

Budget Changes by Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
EFFECTIVE USE OF STATE-OF-THE-ART TECHNOLOGY (CONT'D.)			
2. Customer Contact Center Staffing	**19.00**	**1,317,791**	**194,294**

This action converts ten temporary pool positions and nine contractual positions currently assigned to the Customer Contact Center to permanent Senior Office Specialists positions, eight of which have a limit-date of June 30, 2008. Since the conversion of the legacy system to the new utility billing system in July 2006, call abandonment rates have remained at undesirable levels. These positions are the "first line" customer service representatives answering calls at the City's Customer Contact Center. This addition will allow for consistent, stable staffing to support Customer Contact Center operations. (Ongoing costs: $796,057)

Performance Results:
Cycle Time With the addition of consistent, stable staffing to the Contact Center, call waiting times should improve. The target percentage of Contact Center Calls answered within 8 minutes and resolved within the first call is 75% for 2007-2008.

3. Integrated Billing System - Phase I Implementation	**6.00**	**750,165**	**68,026**

This action will convert 5.0 Integrated Billing System (IBS) temporary overstrength positions (2.0 Information Systems Analysts, 1.0 Program Manager, and 2.0 Analysts) to permanent positions. In addition, this action transfers an Accounting Technician from the Environmental Services Department. The Information Systems Analysts will provide IBS software development and support, application maintenance and support, as well as the maintenance of system technical environments to include operating systems, utilities and tools. The Program Manager will continue to provide management oversight over the IBS project and the Analysts will continue to administer contracts and develop policies and procedures relating to IBS. The Accounting Technician will research billing errors as well as provide customer account support. This action will ensure that ongoing application needs as well as day-to-day operations are adequately addressed. (Ongoing costs: $750,165)

Performance Results:
Quality, Customer Satisfaction Ongoing technical support for the Integrated Billing System will ensure system functionality and minimize system downtime.

4. Technical Assistance for New Electronic Content Management System (ECMS)		**42,500**	**42,500**

This action provides ongoing funding to provide contractual technical support for a new content management applications software system in response to Sunshine Reform needs. (Ongoing costs: $42,500)

Performance Results:
No impacts to performance levels currently reported are anticipated as a result of this action. Once the ECMS is in place, measures will be developed to track performance impacts.

Core Service: Provide Enterprise Technology Systems and Solutions

Information Technology Department

Budget Changes by Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
EFFECTIVE USE OF STATE-OF-THE-ART TECHNOLOGY (CONT'D.)			
5. Rebudget: Unanticipated Minor Applications and Network Maintenance		**2,261**	**2,261**

This action rebudgets unexpended 2006-2007 funds for unanticipated minor applications and network maintenance. (Ongoing costs: $0)

Performance Results: N/A (Final Budget Modification)

2007-2008 Adopted Core Service Changes Total	**24.50**	**2,068,803**	**263,167**

Core Service: Purchasing and Materials Management

Finance Department

Core Service Purpose

To purchase and provide quality products and services in a cost-effective manner.

Key Operational Services:

☐ Procurement
☐ Central Services
☐ Records Services
☐ Warehouse Services

Performance and Resource Overview

Purchasing and Materials Management supports the operations of all City departments on a daily basis. This core service contributes to the Strategic Support CSA outcome: *Sound Fiscal Management that Facilitates Meeting the Needs of the Community.* The goal of this core service is to provide timely and reliable services to all CSAs to assist departments in achieving their service delivery goals to residents as well as to spend public funds wisely through competitive processes and cooperative purchasing with other government agencies while reaching out to the local vendor community.

Procurement

In February 2007, Council adopted the legal framework which guides staff in the implementation of comprehensive procurement reforms. These reforms enhance the transparency and openness of the procurement processes, allow for the centralization of contracting for professional services, and increase the contract approval authority from $100,000 to $1 million for goods and from $100,000 to $250,000 for services. Additionally, Council adopted a Council Policy titled "Procurement and Contract Process Integrity and Conflict of Interest," which prescribes the communication protocol between the City and vendors/proposers and directed the Administration to develop an administrative policy for assessment of Conflicts of Interest. Finance published the administrative policy (CPM 5.1.1) on April 18, 2007. Due to budgetary constraints, Finance will decelerate the implementation of the first phase of centralizing the contracting of professional services. However, to provide guidance to City departments, Finance published a Request for Proposal (RFP) manual and implemented a training model to implement the procurement reforms and the procedures of the RFP manual for contracting for professional services.

Parallel to implementing procurement reforms, Procurement led the Recycle Plus contract, valued at $125 million over the next six years, and ensured the successful acquisition of numerous technology applications such as Noise Control Monitoring Software for the Airport, Handheld Ticket Writer hardware and software for the Police Department, and a Records Management System for the Fire Department.

Core Service: Purchasing and Materials Management

Finance Department

Performance and Resource Overview (Cont'd.)

Procurement (Cont'd.)

In support of the City's Environmentally Preferable Purchasing Policy, Procurement has contracted for green computers, janitorial services, landscape services, vehicles, fuel, and other commodities and services where economically feasible.

Central Services

Central Services is comprised of the Mail Room, Copy Center, Surplus Goods Management, Moving Services, and Recycling Services. Due to the consolidation of City Services at the Central Service Yard, Central Services streamlined its space needs by reducing storage requirements for surplus goods. Currently, Central Services is seeking proposals to replace the vendor who operates the City's Copy Center.

In 2007-2008, a vacant Central Services Supervisor was eliminated, and duties have been allocated to existing staff. These duties include city-wide analyses of the Procurement Card program including city-wide spot audits of departmental procurement card activity, spearheading of the Environmentally Preferable Procurement Policy efforts, and city-wide departmental spent analysis.

Records Services

Records Services successfully completed a pilot process to facilitate the transfer of records from departments to the Records Center at the Central Service Yard and expanded the pilots to other City departments. Related to the pilot, Records Services, in cooperation with City departments, nearly completed the development and approval of records retention schedules. This is anticipated to be completed by the fall of 2007.

Warehouse Services

Warehouse Services includes Stores and Central Receiving at the Central Service Yard and at City Hall, and delivery for both scheduled, interdepartmental routing and ad hoc drayage of large items.

Warehouse staff finished analyzing the Environmental Protection Agency friendly commodity list and continued to replace stock items with environmentally preferable products in accordance with the City's Environmentally Preferable Purchasing Policy. Additionally, the Warehouse was a supporting unit for grant purchases related to the Urban Area Security Initiative, as well as storing and distributing several million dollars worth of goods to other agencies and City departments.

Core Service: Purchasing and Materials Management

Finance Department

Performance and Resource Overview (Cont'd.)

Purchasing and Materials Management Performance Summary	2005-2006 Actual	2006-2007 Target	2006-2007 Estimated	2007-2008 Target
🎯 % of cost savings achieved through the purchasing process	7%	5%	5%	5%
$ Cost of purchasing services as a percentage of the total dollars procured	1.5%	1.3%	1.2%	1.1%
🎗 % of customers who rate services as good or better, based on a 5-point scale based on courteous and timely responses to requests for information				
- Purchasing	70%	70%	70%	70%
- Materials Management	79%	95%	79%	79%

Changes to Performance Measures from 2006-2007 Adopted Budget: No

Selected Operational Measures	2005-2006 Actual	2006-2007 Target	2006-2007 Estimated	2007-2008 Target
🕐 % of purchase orders (PO's) processed within established timeframes				
- 8 business days for PO's < $10,000	NEW	NEW	64%	70%
- 26 business days for PO's $10,001 - $100,000	NEW	NEW	84%	65%
- 38 business days for PO's $100,001 - $250,000	NEW	NEW	90%	90%
- 83 business days for PO's $250,001 - $1.0M	NEW	NEW	100%	90%
- 108 business days for PO's > $1.0M	NEW	NEW	75%	90%
🕐 % of time a request for record retention item is delivered within one day	98%	98%	98%	98%
🕐 % of time a request for a warehouse item is furnished within one day				
- Picked-up	100%	100%	100%	100%
- Delivered	92%	93%	97%	96%

Changes to Operational Measures from 2006-2007 Adopted Budget: Yes[1]

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[1] Changes to Performance Measures from 2006-2007 Adopted Budget:

↺ "% of purchase orders processed within established timeframes" was approved to be revised with more appropriate established timeframes.

✕ "% of time a request for record retention picked-up within two days" was deleted; it is no longer needed because the amount of time it takes to return the records to storage does not impact service delivery.

Core Service: Purchasing and Materials Management

Finance Department

Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2005-2006 Actual	2006-2007 Forecast	2006-2007 Estimated	2007-2008 Forecast
Total cost for services				
- Purchasing Services	$1.21M	$1.26M	$1.23M	$1.56M
- Materials Management Services	$1.27M	$1.54M	$1.40M	$1.91M
Total dollars procured	$81.7M	$94.1M	$105.5M	$110.8M
Total cost savings	$5.7M	$4.7M	$4.8M	$5.0M
Total dollars recovered from surplus sales	$221,557	$200,000	$176,295	$175,000
Number of purchase orders (PO's) processed within:				
- 8 business days for PO's < $10,000	NEW	NEW	628	690
- 26 business days for PO's $10,001 - $100,000	NEW	NEW	786	605
- 38 business days for PO's $100,001 - $250,000	NEW	NEW	56	55
- 83 business days for PO's $250,001 - $1.0M	NEW	NEW	28	25
- 108 business days for PO's > $1.0M	NEW	NEW	6	7
Number of record retention requests delivered within one day	7,407	7,714	8,341	8,083
Number of warehouse line items:				
- Picked-up within one day	25,450	25,892	23,348	24,597
- Delivered within one day	9,234	9,433	9,665	9,716

Changes to Activity & Workload Highlights from 2006-2007 Adopted Budget:: Yes[1]

[1] Changes to Activity & Workload Highlights from 2006-2007 Adopted Budget:

↺ "# of purchase orders processed within established timeframes" was approved to be revised with more appropriate established timeframes.

✕ "# of record retention requests picked-up within two days" was deleted; it is no longer needed because the amount of time it takes to return the records to storage does not impact service delivery.

Core Service: Purchasing and Materials Management

Finance Department

Performance and Resource Overview (Cont'd.)

Purchasing and Materials Management Resource Summary	2005-2006 Actual 1	2006-2007 Adopted 2	2006-2007 Forecast 3	2007-2008 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	$ 2,237,071	$ 2,579,203	$ 3,256,209	$ 3,144,261	21.9%
Non-Personal/Equipment	245,255	502,799	338,921	322,921	(35.8%)
Total	**$ 2,482,326**	**$ 3,082,002**	**$ 3,595,130**	**$ 3,467,182**	12.5%
Authorized Positions	**26.67**	**27.67**	**33.40**	**32.40**	**17.1%**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
SOUND FISCAL MANAGEMENT THAT FACILITATES MEETING THE NEEDS OF THE COMMUNITY			
1. Finance Purchasing Staffing	**(1.00)**	**(127,948)**	**(127,948)**

This action eliminates a vacant Central Services Supervisor position in the Finance Department's Purchasing Division and $16,000 in non-personal/equipment funding. The duties of this position have already been shifted to remaining staff, which includes a Warehouse Supervisor, Senior Warehouse Worker, and five Warehouse Workers. (Ongoing savings: $127,948)

Performance Results:
Cycle Time No impact to current service levels is anticipated as a result of this action.

2007-2008 Adopted Core Service Changes Total	**(1.00)**	**(127,948)**	**(127,948)**

Strategic Support CSA

Core Service: Revenue Management

Finance Department

Core Service Purpose

Collect and invest the City's resources to enhance the City's financial condition.

Key Operational Services:

- ☐ Accounts Receivable Collections
- ☐ Business Tax Collections
- ☐ Revenue Compliance and Monitoring
- ☐ Integrated Billing System
- ☐ Investments
- ☐ Cash Management

Performance and Resource Overview

Revenue Management refers to the general oversight of the City's financial resources. This core service supports the Strategic Support CSA Outcome: *Sound Fiscal Management that Facilitates Meeting the Needs of the Community*. This outcome is supported by developing and streamlining business systems and processes that support the delivery of City services; and through timely cash collection and prudent investment of the City's cash.

Accounts Receivable Collections

In 2006-2007, the addition of five temporary positions (three Office Specialists and two Collections Specialists) was approved in the Mid-Year Budget Review. The Mid-Year Budget adjustments were made so Revenue Management could begin implementation of the Revenue Collection Strategic Plan (RCSP). The RCSP realigns current revenue collection staff so that collectors could focus on proactive collection efforts, while the temporary support staff assumes other administrative and non-collection related duties. RCSP has allowed collection staff to dedicate 85% of their time to revenue collection activities. Previously, collectors spent a significant amount of time performing administrative duties, which limited the amount of revenue the City could collect.

The 2007-2008 Adopted Operating Budget estimates that the RCSP will generate $1.15 million in revenues. Revenues are generated by collecting accounts that were previously considered "uncollectible" and ongoing revenues are generated from new accounts (non-compliant businesses) found through database searches and field audits. In addition to these revenues, the RCSP will also provide collection resources to conduct sales tax compliance audits. Sales tax revenues are new accounts and part of the projected ongoing revenues.

The five temporary positions added at Mid-Year will be integrated into the collections business process for 2007-2008. In 2007-2008, only two positions will be filled by permanent City staff. The remaining three will be temporarily filled either from the Pool or by a Temporary Agency for one year. If the Department meets or exceeds the budgeted revenue estimates, it is recommended that the remaining three positions be filled permanently.

Accounts Receivable Collections **(Cont'd.)**

To measure the cost of revenue collection services, the labor cost for staff providing these services is compared to the value of the City's total miscellaneous accounts receivable. The cost ratio estimate in 2006-2007 is 14.69%, and the 2007-2008 target has been set at 33.31%, due primarily to costs associated with the Revenue Collection Strategic Plan. The plan increases resources in the Revenue Collection division while at the same time makes a focused effort to reduce receivable accounts significantly. Both of these shifts increase the costs in relation to total receivables.

For 2006-2007, the anticipated average number of days active accounts receivable will be past due in the City's automated collection management system (Revenue Plus) is estimated to be 75 days. This is a slight improvement from the 80 days that was experienced in 2005-2006. The target for 2007-2008 is 65 days.

Business Tax Collections

For the past several years, the Business Information Management System (BIMS) was utilized to create leads to enforce business tax collections. However, due to increased costs and legal restrictions reducing its effectiveness, the BIMS contract will be cancelled and replaced by a solution developed in-house called the Business License Information Program (BLIP). BLIP compares various business lead source data files (e.g. State of California Franchise Tax Board, State Resale Permits, Fictitious Business Filings, etc.) to the City's Business Tax Billing System to identify businesses not in compliance with the business tax ordinance.

The change commenced in July 2007 and is expected to eliminate $70,000 in consulting expenses and contribute $305,000 to budgeted revenues in the RCSP. Based on an annual renewal rate of 80% for all registered accounts, the ongoing revenue generated from subsequent renewal of these newly registered accounts identified in the BLIP Project is estimated at $600,000 for 2008-2009 and $480,000 annually for 2009-2010 and beyond.

Revenue Compliance and Monitoring

Over the last four years, Revenue Management staff has been engaged in conducting compliance reviews for the third largest revenue source to the City's General Fund – the Utility User's Tax (UUT) and related Franchise Fees. During the course of conducting these reviews, Revenue Management staff has found multiple instances of non-compliance requiring a high level of follow-up to assure the outstanding tax owed the City is ultimately collected. Staff has verified that most cellular providers are complying with the new Federal Sourcing Act.

In addition to UUT, staff will also be annually monitoring the Emergency Communication System Support Fee revenue of approximately $23.5 million for compliance and the new Hotel Business Improvement District of approximately $2.0 million. Staff is considering issuing a Request for Proposal for consulting services to assist with the revenue compliance, if found to be cost beneficial.

Integrated Billing

In July 2006, the City launched a new state-of-the-art Integrated Billing System (IBS). The new system consolidated multiple City programs and customer service centers and replaced three outdated systems that were ineffective and inefficient. Financial benefits have been realized through improved gross billings to Single Family Dwelling (SFD) and Multi-Family Dwelling (MFD) accounts. In 2007-2008, similar monetary benefits may be realized from reconciliation of hauler payments, increased late payment revenues and increased hauler administrative fees. Beyond the tangible benefits, IBS has facilitated improved customer service through faster access to account information, improved account maintenance, and greater billing accuracy. For 2007-2008, a Principal Accountant overstrength and an Account Clerk were converted to permanent status, and a Senior Accountant was added to complete implementation and execution of the first phase of the project.

Investments

In May 2007, the results of an evaluation of the City's Investment Unit conducted by Macias Consulting Group were presented to the City Council's Public Safety, Finance and Strategic Support Committee. The report provided an analysis of the City's "buy and hold" strategy for the investment portfolio, as well as organizational structure and staffing. It also provided recommendations to improve investments by refocusing efforts from transaction processing and accounting to investment strategy and analysis.

With the retirement of the City's Administrative Officer in the Investment/Cash Management program in March 2007, coupled with the conclusion of the Investment Unit evaluation, the Investment Unit will focus on updating the division's functionality in 2007-2008.

Cash Management

The Cash Management function continues to manage the City's centralized cashiering for the City, including collaboration with other City departments. In addition, work is well underway for issuance of request for proposals (RFPs) for banking services. It is anticipated that an RFP will be distributed in the fall of 2007, with transition, if necessary, to a new general bank and/or custodial bank during 2007-2008.

Funding for an Integrated Cashiering Solution (ICS) was provided during the 2005-2006 Annual Report to allow seamless integration of various billing/collection services to FMS and to streamline the payment processing function for cashiers. The acquisition for the ICS was approved by City Council in late April 2007.

Strategic Support CSA

Core Service: Revenue Management

Finance Department

Performance and Resource Overview (Cont'd.)

	Revenue Management Performance Summary	2005-2006 Actual	2006-2007 Target	2006-2007 Estimated	2007-2008 Target
$	Cost of investment services as a percentage of the City's investment portfolio	0.07%	0.13%	0.11%	0.11%
$	Cost of revenue collection services as a percentage of the City's total miscellaneous accounts receivable	9.78%	13.33%	14.69%	33.31%
🎗	% of customers who rate Revenue Management services as good or excellent on a 5-point scale based on courteous and timely responses to requests for information	81%	90%	85%	86%

Changes to Performance Measures from 2006-2007 Adopted Budget: No

	Selected Operational Measures	2005-2006 Actual	2006-2007 Forecast	2006-2007 Estimated	2007-2008 Forecast
🕓	Average number of days active accounts receivable are past due	80	75	75	65

Changes to Operational Measures from 2006-2007 Adopted Budget: No

Activity & Workload Highlights	2005-2006 Actual	2006-2007 Forecast	2006-2007 Estimated	2007-2008 Forecast
Total cost for Revenue Management services				
- Investment services	$0.90M	$1.33M	$1.29M	$1.85M
- Revenue collection services	$3.89M	$4.00M	$2.64M	$4.00M
Total of the City's investment portfolio	$1.23B	$1.021B	$1.152B	$1.021B
Total balance of the City's miscellaneous accounts receivable	$21M	$30M	$21M	$12M

Changes to Activity & Workload Highlights from 2006-2007 Adopted Budget: No

Core Service: Revenue Management

Finance Department

Performance and Resource Overview (Cont'd.)

Revenue Management Resource Summary	2005-2006 Actual 1	2006-2007 Adopted 2	2007-2008 Forecast 3	2007-2008 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	$ 4,391,683	$ 5,179,176	$ 4,626,864	$ 5,057,653	(2.3%)
Non-Personal/Equipment	435,816	893,559	606,180	795,953	(10.9%)
Total	**$ 4,827,499**	**$ 6,072,735**	**$ 5,233,044**	**$ 5,853,606**	**(3.6%)**
Authorized Positions	**52.05**	**53.05**	**49.87**	**57.87**	**9.1%**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
SOUND FISCAL MANAGEMENT THAT FACILITATES MEETING THE NEEDS OF THE COMMUNITY			
1. BIMS Consulting Contract Elimination		**(70,000)**	**(70,000)**

This action cancels a portion of the existing contract for the Business Information Management System (BIMS) and utilizes an in-house Business License Investigation Program (BLIP) to implement the Revenue Collections Strategic Plan. The cost-benefit of BIMS has decreased due to increased costs and legal restrictions reducing its effectiveness. As a result, the Department has developed an in-house solution to be managed internally in order to pursue business license collections. (Ongoing savings: $70,000)

Performance Results:
Cost Elimination of the contract and utilization of an in-house solution will allow for continued business license collections.

Strategic Support CSA

Core Service: Revenue Management

Finance Department

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
SOUND FISCAL MANAGEMENT THAT FACILITATES MEETING THE NEEDS OF THE COMMUNITY (CONT'D.)			
2. Integrated Billing System – Phase I Implementation	**3.00**	**289,079**	**21,704**

This action converts an overstrength Account Clerk and overstrength Principal Accountant in the Finance Department to permanent status and adds a Senior Accountant position. These positions will ensure that the Department is sufficiently staffed to continue full implementation of Phase I of Integrated Billing System (IBS, formerly C-UBS) and further enhance efficiencies to City processes, such as customer billing inquiries, account maintenance, invoicing and collections, establishment of new accounts and transfers, and preparation for new rates and haulers beginning in July 2007. (Ongoing costs: $301,111)

Performance Results:
Customer Service, Quality Addition of permanent staffing will help to complete project implementation and ensure project stability so that legacy billing systems can be consolidated. This will allow the City to better serve customers in a timely, efficient, and accurate manner.

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
3. Revenue Collection Strategic Plan	**5.00**	**401,483**	**401,483**

This action adds two permanent (1.0 Staff Specialist and 1.0 Office Specialist) and three limit-dated (3.0 Office Specialist) positions for the continued implementation of the Revenue Collection Strategic Plan that was implemented as part of the 2006-2007 Mid-Year Budget Review. In 2007-2008, only two positions will be filled by permanent City staff. The remaining three will be temporarily filled either from the Pool or by a Temporary Agency. If the Department meets or exceeds the budgeted revenue estimates, the remaining three will be proposed to be made permanent in 2008-2009. In addition, non-personal/equipment funding for supplies, training, and data processing service, totaling $75,000 was approved. These new positions will perform administrative duties in order to allow existing Investigator Collectors to implement the Revenue Collection Strategic Plan and focus on collection efforts. Personnel and non-personal/equipment costs for this action will be offset by revenues generated through the program, which is estimated at $1,150,000. (Ongoing costs: $144,030)

Performance Results:
Quality The addition of permanent and limit-dated staffing will assist collection specialists with administrative duties and allow them to focus their efforts on revenue collection and improve the overall revenue performance of the City.

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
2007-2008 Adopted Core Service Changes Total	**8.00**	**620,562**	**353,187**

Strategic Support CSA

Core Service: Support Departmental Technology Services

Information Technology Department

Core Service Purpose

Determine, develop, implement and support technology solutions that maximize the delivery of Technology Services for City Service Areas and ensure optimal resource utilization of technology investments across the city-wide organization.

Key Operational Services:

- ☐ Information Technology Planning Board
- ☐ Public Safety Support
- ☐ Transportation and Aviation Services Support
- ☐ Community and Economic Development Support
- ☐ Environmental and Utility Services Support
- ☐ Neighborhood Services Support
- ☐ Mayor, Council and Appointees Support

Performance and Resource Overview

The purpose of the Support Departmental Technology Services Core Service is to enable the service delivery of specific departments through the use of technology. This core service contributes to the Strategic Support CSA's Outcome *Effective Use of State-Of-The-Art Technology* and provides support to all of the CSAs through strategic planning efforts within the framework of the Information Technology Planning Board (ITPB).

Information Technology Planning Board

In March 2005, the Information Technology Planning Board (ITPB) revised its charter to better position the City to meet its business strategies through the use of technology. Key changes include organization of ITPB membership to reflect the CSA model and the creation of an Architecture Committee consisting of Information Technology (IT) professionals from all CSAs, which provides technical perspective and recommendations to the ITPB.

One major effort of the ITPB, Architecture Committee and CSA Technology representatives is compiling annual technology Master Plans. The first set of master plans was completed in January 2006, and an annual update is underway. These plans help provide departments with greater understanding of technology issues city-wide and are used by the IT Department to identify and implement enterprise technology objectives.

For 2005-2006, overall performance was lower than expected and did not reflect the improvements in customer satisfaction that were expected. It was anticipated that customer satisfaction would increase significantly due to these new organizational and planning efforts. However, satisfaction levels remained largely the same. Even though the ITPB has engaged in several efforts that have been focused on improving technology, it has not resulted in an immediate recognition of the effectiveness of the ITPB. It is anticipated the measure of "Impact upon planning

Information Technology Planning Board (Cont'd.)

and preparation of IT-related budget requests" will increase only at a modest rate until more significant and enterprise-wide new technology projects are implemented.

City Service Area Support

While staff within the Support Departmental Technology Services Core Service supports all of the CSAs, the Mayor, City Council, and all of the appointees, there has been a heightened level of technology related activity within the Public Safety CSA in recent years, requiring an increased level of support. The size of the Information Technology Department's staff has presented challenges in implementing new and upgraded systems in the Police Department in recent years. New systems and integrated public safety functions have focused on improving the productivity of officers and staff. Initiatives such as participation in a county-wide mug shot and fingerprint program, accident report automation, electronic citations, installation of cameras downtown, and support for new police substations are only a few of the technology projects currently in the planning stages. Radio communications, Wireless Internet System (Wi-Fi), cable and fiber networks must be reliable and have the capacity to support public safety applications and devices.

For 2007-2008, $2,000,000 from the Technology Reserve was allocated to cover the costs associated with replacement of existing network equipment for the Police Department campus. After completing an assessment of the condition of the technical infrastructure at the campus, it became apparent that the existing network had grown significantly with expanded services over the last five years. Expansion of the network services at City Hall to the Police Department campus will improve services, allow more efficient use of network support, and reduce ongoing operating expenses for leased Centrex services.

The Computer Aided Dispatch (CAD) system introduced mapping, radio network bandwidth, and software related challenges. Current technical CAD-related activities are focused on continued improvement of the existing system as well as resolution of the significant challenges relative to increased traffic on the wireless network. Based upon a system evaluation conducted in 2005, the Police Department embarked on a two-year evaluation of a broadband wireless service. The system is much faster and staff has been able to adjust the Automatic Vehicle Location parameters to much lesser values so that location information is updated at a much faster pace. An upgrade to this system is planned for 2007-2008, which will stabilize and maximize the functionality and reliability of this system.

The enhanced 9-1-1 project is now complete. With the advent of the Computer Aided Dispatch system, Police and Fire Communications can locate calls from wireless devices. If the call originates near a freeway, the caller will be routed to the California Highway Patrol; otherwise, the caller will be routed to San José Communications.

Strategic Support CSA

Core Service: Support Departmental Technology Services

Information Technology Department

Performance and Resource Overview (Cont'd.)

City Service Area Support (Cont'd.)

Other Police Department automation efforts include the Automated Reporting System (ARS), also known as In-Field Reporting, and an upgrade to the Records Management System (RMS). The ARS component is the cornerstone of the data entry flow into RMS, a component of the Automated Information System. This effort will reduce the gap between data collection and data entry, thus improving data quality. For example, an officer in the field will have the capability to enter data soon after an event has occurred rather than at a later time and/or by someone who was not present at the scene. The Police Department, in conjunction with the Information Technology Department, continues to evaluate an appropriate solution.

A vendor has been selected for a Records Management System to provide the information necessary to analyze demand for Fire Department services and Fire Department performance against General Plan service levels. Additionally, the system will provide a means for analyzing pilot alternative deployment models. A consultant was hired to assist with implementation.

	Support Departmental Technology Services Performance Summary	2005-2006 Actual	2006-2007 Target	2006-2007 Estimated	2007-2008 Target
🎯	% of managers who say employees have the technology tools they need to support their service delivery functions	73%	75%	75%	75%
🎯	% of employees who say they have the technology tools they need to meet their service delivery functions	80%	85%	83%	85%
🎗	% of responses from IT Planning Board members and departments that are good or excellent in the following areas:				
	- Timeliness of decisions made	39%	60%	50%	60%
	- Perception of benefit/value added by strategic planning	39%	60%	50%	60%
	- Impact upon planning and preparation of IT related budget requests	35%	85%	60%	85%

Changes to Performance Measures from 2006-2007 Adopted Budget: No

Activity & Workload Highlights	2005-2006 Actual	2006-2007 Forecast	2006-2007 Estimated	2007-2008 Forecast
Number of CSA master plans updated	7	7	8	8
Number of ongoing ITPB approved projects	10	8	8	8
Number of ITPB meetings annually	14	12	12	12

Changes to Activity & Workload Highlights from 2006-2007 Adopted Budget: No

Core Service: Support Departmental Technology Services

Information Technology Department

Performance and Resource Overview (Cont'd.)

Support Departmental Technology Services Resource Summary	2005-2006 Actual 1	2006-2007 Adopted 2	2007-2008 Forecast 3	2007-2008 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	$ 2,058,779	$ 2,042,947	$ 2,113,390	$ 2,113,390	3.4%
Non-Personal/Equipment	431,775	0	0	0	N/A
Total	**$ 2,490,554**	**$ 2,042,947**	**$ 2,113,390**	**$ 2,113,390**	**3.4%**
Authorized Positions	**15.00**	**15.00**	**15.00**	**15.00**	**0.0%**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds ($)	General Fund ($)
NONE			

Strategic Support

Finance Department

Strategic Support represents services provided within departments that support and guide the provision of the core services. Strategic Support within the Finance Department includes:

Key Operational Services:

- ☐ Analytical Support
- ☐ Budget/Fiscal Management
- ☐ Contract Administration
- ☐ Intranet Services
- ☐ Human Resources Management
- ☐ Administrative Support

Performance and Resource Overview

Within the scope of Strategic Support, departmental core services are guided through planning, organizing, directing, and evaluating service delivery to achieve departmental objectives. These support services ensure that programs and services are developed, implemented and enhanced in a manner consistent with City policies and procedures. In addition, Strategic Support is instrumental in supporting the delivery of direct services to the public and in providing coordinated responses to requests for information by other departments, the City Administration, and the City Council.

In 2006-2007, Strategic Support experienced staffing fluctuations due to vacancies. As a result, consolidation efforts have been impacted. Timekeeping and accounts payable data entry functions for both the Human Resources and Finance Departments have been consolidated into the Finance Department in order to eliminate redundancies and increase efficiencies. However, due to challenges, such as the distance between the departments and workload, the full absorption of these functions into the Finance Department's operations is still in process. In addition, consolidation of Finance Department contract administration into the administrative division was not implemented. The Department has addressed staffing fluctuations by redeploying two employees from other divisions and utilizing temporary staffing, and consolidation efforts will continue in 2007-2008 as staffing levels stabilize.

In 2006-2007, an estimated 1% of the Finance Department's 136 employees will receive 40 hours of relevant training annually. A factor impacting performance in this area was the high vacancy rates experienced since the city-wide hiring freeze. Due to increased workload and service demands, many staff members were unable to meet the 40-hour training goal. As workloads continue to increase and staffing levels decrease, the target will remain at 3% of employees receiving 40 hours of training in 2007-2008. The number of training hours provided is expected to remain constant at 600 in 2007-2008.

Strategic Support CSA

Strategic Support

Finance Department

Performance and Resource Overview (Cont'd.)

Strategic Support Performance Summary	2005-2006 Actual	2006-2007 Target	2006-2007 Estimated	2007-2008 Target
🎯 % of employees receiving 40 hours of relevant training annually	2%	4%	2%	3%
$ Ratio of strategic support services cost to total department budget	10%	10%	10%	9%
🎗 % of customers rating strategic support services as good or excellent on a 5-point scale based on courteous and timely responses to requests for information	N/A*	70%	N/A	70%

Changes to Performance Measures from 2006-2007 Adopted Budget: No

* For 2005-2006, Strategic Support was not included in the employee survey.

Activity & Workload Highlights	2005-2006 Actual	2006-2007 Forecast	2006-2007 Estimated	2007-2008 Forecast
Total number of employees receiving 40 hours of relevant training	3	5	3	4
Total number of training hours provided	586	700	600	600

Changes to Activity & Workload Highlights from 2006-2007 Adopted Budget: No

Strategic Support

Finance Department

Performance and Resource Overview (Cont'd.)

Strategic Support Resource Summary	2005-2006 Actual 1	2006-2007 Adopted 2	2007-2008 Forecast 3	2007-2008 Adopted 4	% Change (2 to 4)
Strategic Support Budget *					
Personal Services	$ 1,084,630	$ 1,253,971	$ 1,271,104	$ 1,271,104	1.4%
Non-Personal/Equipment	198,310	258,316	184,171	184,171	(28.7%)
Total	**$ 1,282,940**	**$ 1,512,287**	**$ 1,455,275**	**$ 1,455,275**	**(3.8%)**
Authorized Positions	**9.78**	**9.78**	**9.23**	**9.23**	**(5.6%)**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds ($)	General Fund ($)
NONE			

Strategic Support CSA

Strategic Support

General Services Department

Strategic Support represents services provided within departments that support and guide the provision of the core services. Strategic Support within General Services includes:

Key Operational Services:

☐ Network/Computer Systems Management

☐ Budget/Fiscal Management

☐ Programmatic/Administrative Support

☐ Strategic Planning/Leadership

Performance and Resource Overview

Strategic Support provides administrative support for the General Services Department. Strategic Support includes network and computer systems management, fiscal management, personnel management, and organizational development.

In 2006-2007, the Strategic Support group coordinated with the City Manager's Office in the new city-wide effort to track administrative projects. This effort has successfully created a tool to capture a more accurate picture of department workloads and provide important informational updates to the Mayor, City Council, and City Manager.

Network and computer systems management has been a focus in 2006-2007, and this focus will continue in 2007-2008. The expansion of the Central Service Yard and the associated relocation of employees and services, has required a great deal of planning, coordinating, and technical support. Also, systems and hardware expansions and upgrades, such as the recent roll out of the use of handheld devices for capturing facility maintenance data, have required a high level of support.

The General Services Department has recognized a need to review its organizational structure to ensure the most effective support system for the expanding importance of data management. The Strategic Support group is working on an organizational plan to both recognize how internal resources have shifted to meet data management needs and to create a desirable structure to effectively support these growing needs into the future.

Strategic Support
General Services Department

Performance and Resource Overview (Cont'd.)

Strategic Support Resource Summary	2005-2006 Actual 1	2006-2007 Adopted 2	2007-2008 Forecast 3	2007-2008 Adopted 4	% Change (2 to 4)
Strategic Support Budget *					
Personal Services	$ 1,163,327	$ 852,396	$ 901,319	$ 901,319	5.7%
Non-Personal/Equipment	2,793,860	185,297	186,297	186,297	0.5%
Total	**$ 3,957,187**	**$ 1,037,693**	**$ 1,087,616**	**$ 1,087,616**	**4.8%**
Authorized Positions	**8.75**	**6.75**	**6.75**	**6.75**	**0.0%**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Strategic Support. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Strategic Support performance, yet are displayed elsewhere in this budget.

Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds ($)	General Fund ($)
NONE			

Strategic Support

Human Resources Department

Strategic Support represents the services provided within departments that support and guide the provision of the core services. Strategic Support within the Human Resources Department includes:

Key Operational Services:

☐ Administration
☐ Financial Management
☐ Personnel Management
☐ Human Resources Systems Management
☐ Records Management
☐ Customer Service

Performance and Resource Overview

Strategic Support in the Human Resources Department includes the underlying operational systems for the Department such as personnel, budget, information systems management, records management, and customer service.

A key project in 2006-2007 was the upgrade of the City's HR/Payroll system to the most current version. The upgrade project began in May of 2006 and was completed with a combination of City and contractual staff. The team worked diligently to meet an ambitious timeline during an operationally busy time of the year, balancing this major effort with benefits open enrollment, deferred compensation changes, and year-end processing activities. The system was successfully implemented on-time in December 2006.

Operationally, Strategic Support continues to provide support services to City departments, employees, and the public. Timekeeping, accounts receivable/payable, and general ledger workload continue to be handled by the Finance Department, as the result of the elimination of a Principal Account Clerk position in Human Resources in 2005-2006. This realignment of work has not improved cycle time and efficiencies to the level originally anticipated. Staff is working with the Finance Department to implement process changes to improve services in this area.

A key project for Strategic Support in 2007-2008 is the implementation of the Recruiting Solutions module of the HR/Payroll System. The current system has received numerous complaints from customers and departmental staff and is not integrated with the organization's HR/Payroll System. Strategic Support staff anticipates that the Recruiting Solutions module will significantly improve efficiency of the hiring process and improve the application process for all applicants.

Strategic Support
Human Resources Department

Performance and Resource Overview (Cont'd.)

Strategic Support Resource Summary	2005-2006 Actual 1	2006-2007 Adopted 2	2007-2008 Forecast 3	2007-2008 Adopted 4	% Change (2 to 4)
Strategic Support Budget *					
Personal Services	$ 876,724	$ 762,019	$ 819,864	$ 819,864	7.6%
Non-Personal/Equipment	172,700	124,263	127,263	127,263	2.4%
Total	**$ 1,049,424**	**$ 886,282**	**$ 947,127**	**$ 947,127**	**6.9%**
Authorized Positions	**6.00**	**6.00**	**6.00**	**6.00**	**0.0%**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of Strategic Support. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Strategic Support performance, yet are displayed elsewhere in this budget.

Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds ($)	General Fund ($)
NONE			

Strategic Support

Information Technology Department

Strategic Support represents services provided within the Department that support and guide the provision of the core services. While there are resources and performance measures associated with strategic support at an operational level, those are not presented separately in this document. Instead, the resources are allocated to each core service according to the level of support provided. Similarly, performance measures are shown only at the core service level, as strategic support services are designed to help improve core service delivery. Strategic Support within Information Technology includes:

Key Operational Services:

☐ Clerical Support
☐ Employee Services
☐ Financial Management
☐ Training Management
☐ Special Projects

Performance and Resource Overview

Strategic Support Resource Summary		2005-2006 Actual 1		2006-2007 Adopted 2		2007-2008 Forecast 3		2007-2008 Adopted 4	% Change (2 to 4)
Strategic Support Budget *									
Personal Services	$	697,368	$	937,389	$	1,031,109	$	1,318,067	40.6%
Non-Personal/Equipment		269,357		193,226		193,226		193,226	0.0%
Total	**$**	**966,725**	**$**	**1,130,615**	**$**	**1,224,335**	**$**	**1,511,293**	**33.7%**
Authorized Positions		**7.75**		**7.00**		**8.00**		**10.00**	**42.9%**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of Strategic Support. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Strategic Support performance, yet are displayed elsewhere in this budget.

Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds ($)	General Fund ($)
EFFECTIVE USE OF STATE-OF-THE-ART TECHNOLOGY			
1. Capital Project Management System Staffing	**2.00**	**286,958**	**0**

This action adds two new positions (1.0 Supervising Applications Analyst and 1.0 Information Systems Analyst) to support the Capital Project Management System (CPMS). This system, which has been supported by temporary overstrength positions since its implementation in 2003-2004, provides tools for capital project management including project cost estimating, resource planning, financial data tracking, contract management, performance measurement, and public outreach. These positions have been built into the rate structure for the Public Works Program Support Fund since their creation and making them permanent will allow for the continued implementation of the CPMS Master Plan. (Ongoing costs: $286,958)

Performance Results:
Quality These positions will allow for the continued implementation of the CPMS Master Plan. No change to current service levels will result from this action.

	Positions	All Funds ($)	General Fund ($)
2007-2008 Adopted Strategic Support Changes Total	**2.00**	**286,958**	**0**

Strategic Support CSA

Strategic Support

Public Works Department

Strategic Support represents services provided within departments that support and guide the provision of the core services. Strategic Support within the Public Works Department includes:

Key Operational Services:

- ☐ Equality Assurance
- ☐ Real Estate
- ☐ Public Outreach
- ☐ Strategic Planning/Leadership
- ☐ Infrastructure and Mapping
- ☐ Financial and Contractual Administration
- ☐ Employee Services
- ☐ Capital Improvement Program Database

Performance and Resource Overview

Strategic Support for the Public Works Department within the Strategic Support CSA provides the following services:

Equality Assurance

Provides labor compliance services on City and San Jose Redevelopment Agency (SJRA) funded construction and housing contracts and City funded services and maintenance contracts to ensure that proper compensation and benefits are paid to workers. Services include reviewing certified payroll records, performing on-site interviews, investigating and resolving wage violations, ensuring workers receive restitution, and assessing liquidated damages.

In 2006-2007, Americans with Disabilities Act (ADA) responsibilities were assigned to the Office of Equality Assurance and a temporary overstrength Senior Analyst position was added to carry out these responsibilities. To continue city-wide compliance with ADA and Section 504 laws which apply to City policies, facilities, and grant programs, the overstrength Senior Analyst has been converted to a permanent position beginning in 2007-2008. Additionally, a funding shift to allocate one half of an existing Secretary position to provide support for the Senior Analyst and the Disability Advisory Commission was approved.

The addition of a Contract Compliance Specialist, funded by the Redevelopment Agency, was approved to provide labor compliance services for Redevelopment Agency funded projects. Due to previous staffing cuts in this unit, most of this work on Agency projects is currently being performed by the Division Manager. This has caused management efforts to be delayed, such as the establishment of an Internet presence for labor compliance, the implementation of an electronic certified payroll submittal system, wage surveys, revision of the living wage policy, professional development of staff, and procedure revisions. With an additional position dedicated exclusively to Redevelopment Agency projects, the Office of Equality Assurance will be able to ensure oversight and compliance with prevailing wage requirements.

Performance and Resource Overview (Cont'd.)

Real Estate

Provides quality and cost effective real estate services in a timely manner to City departments and the SJRA. Services are performed while assuring the City's compliance with the applicable local, State, and federal government laws and regulations. Services include appraisal, acquisition, relocation and site feasibility analysis. In addition, Real Estate supports the city-wide telecommunication program and lease property activities. Two Real Property Agents, which were added as temporary overstrengths during 2006-2007, have been converted to permanent positions in order to provide property acquisition services for parks and transportation capital projects.

Public Outreach

Conducts outreach activities to small and local businesses and promotes department contract and consultant opportunities to the business community. Outreach activities include quarterly and annual educational presentations targeted at small and local businesses, inter-departmental development of a small business tracking system and electronic newsletter, and improvements to the Capital Project Management System (CPMS) database to allow for online registration to deliver email notifications of construction contract and consultant opportunities.

Strategic Planning/Leadership

Provides strategic planning and policy development for the Public Works Department and the Capital Improvement Program, impacting multiple CSAs. The Public Works Director's Office provides process and policy guidance in areas such as Green Building; cost estimation; service delivery options (including design/build); and property acquisition and disposition to promote the timely delivery of quality projects and services.

Infrastructure and Mapping

Updates the City's Geographic Information System (GIS) base maps, the CIP database and web page, and coordinates the Infrastructure Management System. The GIS maps include data layers on parcels, streets, storm sewers, sanitary sewers, water lines, and streetlights.

Financial and Contractual Administration

Provides fiscal management, accounting services, budget analysis, and centralized contract administration for the Public Works Department. Assists the public with construction issues and invites construction project bids through a bid hotline and the Internet.

Performance and Resource Overview (Cont'd.)

Employee Services

Provides recruitment, hiring and promotion services to support all Public Works functions and maintenance of all personnel files and related information. Training support and monitoring, maintenance of the training library, oversight of employee safety and ergonomics programs, and direction of the Employee Recognition Program are also provided to Public Works staff.

Capital Improvement Program Database Enhancement

The CPMS database is a software application that provides tools for project management including project cost estimating, resource planning, financial data tracking, contract management, performance measurement, and public outreach. The database is a web-based application with process automation and wireless access capability.

	Selected Operational Measures	2005-2006 Actual	2006-2007 Target	2006-2007 Estimated	2007-2008 Target
◎	% of reviewed projects that attain established labor compliance goals by project completion	N/A	N/A	N/A	85%
$	Cost of labor compliance services as a percentage of total $ amount of contracts with wage requirements	0.1%-	0.1%	0.1%	0.1%

Changes to Operational Measures from 2006-2007 Adopted Budget: Yes[1]

[1] Changes to Operational Measures from 2006-2007 Adopted Budget

↺ "% of contracts with wage requirements that are brought into compliance" was revised to "% of reviewed projects that attain established labor compliance goals by project completion" to reflect the fact that not all projects are reviewed for compliance.

Activity & Workload Highlights	2005-2006 Actual	2006-2007 Forecast	2006-2007 Estimated	2007-2008 Forecast
Number of contracts with wage requirements	913	1,000	800	800
Number of contracts with labor compliance violations Identified	76	50	60	60
Number of contractors' employees owed restitution	359	200	350	350
Total $ amount of restitution owed to employees	$160,230	$250,000	$150,000	$150,000

Changes to Activity & Workload Highlight from 2006-2007 Adopted Budget: No

Strategic Support

Public Works Department

Performance and Resource Overview (Cont'd.)

Strategic Support Resource Summary	2005-2006 Actual 1	2006-2007 Adopted 2	2007-2008 Forecast 3	2007-2008 Adopted 4	% Change (2 to 4)
Strategic Support Budget *					
Personal Services	$ 5,336,689	$ 6,499,005	$ 6,636,626	$ 7,072,666	8.8%
Non-Personal/Equipment	1,222,646	3,908,146	4,461,413	4,582,090	17.2%
Total	**$ 6,559,335**	**$ 10,407,151**	**$ 11,098,039**	**$ 11,654,756**	**12.0%**
Authorized Positions	**49.35**	**54.20**	**52.90**	**56.90**	**5.0%**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of Strategic Support. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute

Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds ($)	General Fund ($)
SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES, MATERIALS, AND EQUIPMENT			
1. Vehicle Maintenance Staffing		**(2,323)**	**(2,323)**

This action generates city-wide vehicle maintenance and operations cost savings totaling $69,154 ($55,323 in the General Fund), resulting from the elimination of a vacant Equipment Mechanic Assistant position (vacant since June 2004) in the General Services Department. The cost savings in the Public Works Department, Strategic Support Core Service is $2,323. No impacts to current service levels are anticipated with this reduction because of a decreased fleet size and the end, in 2006-2007, of the multi-year freeze on general fleet replacements which has resulted in the average age of the fleet decreasing. Vehicle replacements, however, are still subject to an exemption process managed by both the General Services Department and the City Manager's Office. (Ongoing savings: $2,323).

Performance Results:
No impacts to current performance levels are anticipated as a result of this action.

Strategic Support Budget Changes (Cont'd.)

Adopted Strategic Support Changes	Positions	All Funds ($)	General Fund ($)

SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES, MATERIALS, AND EQUIPMENT (CONT'D.)

2. Real Estate Program Staffing	**2.00**	**205,498**	**0**

This action adds two Real Property Agent positions to support parks and transportation property related activities. Changes in the Park Trust Fund ordinance, as well as the Parks, Recreation and Neighborhood Services Department's emphasis on the sports fields master plan, aquatics study, and facility re-use strategy necessitate additional real estate services support. In addition, increased support is necessary to support property transfers and right of way issues associated with current and future regional transportation projects, such as Measure A Highway projects, BART, and the Guadalupe Corridor. This addition will bring the total number of staff in the Real Property Services Division to ten. (Ongoing costs: $209,068)

Performance Results:
Quality This action should have no effect on the quality of real property acquisition services. ***Cycle Time*** The cycle time for property acquisition for parks and transportation projects is anticipated to improve.

3. Americans with Disabilities Act Staffing	**1.00**	**134,746**	**172,040**

This action adds 1.0 Senior Analyst and associated non-personal/equipment funding to the Office of Equality Assurance to serve as the City's Americans with Disabilities Act (ADA) Coordinator. A review by the U.S. Department of Housing and Urban Development (HUD) found that there are access issues to both City facilities and facilities occupied by Community Based Organizations. This position will be responsible for city-wide compliance with ADA laws which apply to City policies, facilities, and grant programs. This action also shifts funding for 0.5 Secretary from the Public Works Program Support Fund to the General Fund to be the staff liaison for the Disability Advisory Commission. (Ongoing costs: $134,746)

Performance Results:
Quality The addition of this position will enable a city-wide effort to review the City's disability access programs and update the City's ADA plan. ***Cycle Time*** Identification of disability access issues and the development of remediation plans will be expedited by this action.

Strategic Support Budget Changes (Cont'd.)

Adopted Strategic Support Changes	Positions	All Funds ($)	General Fund ($)

SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES, MATERIALS, AND EQUIPMENT (CONT'D.)

	Positions	All Funds ($)	General Fund ($)
4. Sanitary Sewer Geographic Information Systems Database		**$130,000**	**0**

This action provides funding to link the Public Works Sanitary Sewer Geographic Information Systems (GIS) database with the Department of Transportation's Infrastructure Management System (IMS). The IMS system currently does not take advantage of GIS. Once the systems are linked, Department of Transportation maintenance staff will have access to the latest data and have the capability to route maintenance crews in a more efficient manner. Likewise, facilities that are found to be existent in the field, but missing in the GIS database, will be updated accordingly. This will synchronize both the GIS and IMS databases. (Ongoing costs: $30,000)

Performance Results:
Quality This connection of these two databases will provide more timely information, increase GIS data reliability, and improve maintenance crew dispatch efficiency. ***Cycle Time*** Increased efficiency in resource deployment should result in improved response times for maintenance crews.

	Positions	All Funds ($)	General Fund ($)
5. Equality Assurance Staffing	**1.00**	**88,796**	**88,796**

This action adds 1.0 Contract Compliance Specialist to the Office of Equality Assurance to perform labor compliance services on Redevelopment Agency funded projects. This new position will be directly responsible for reviewing construction contractors and project consultants on all Redevelopment Agency projects for compliance with City prevailing wage and living wage policies. With the addition of this position and the Senior Analyst serving as the City's Americans with Disabilities Act Coordinator, total staffing in the Office of Equality Assurance will increase from nine to eleven. The cost of this position will be fully reimbursed by the Redevelopment Agency. (Ongoing costs: $96,454)

Performance Results:
Quality This action will have no effect on the quality of contract monitoring, however the actual number of contracts that will be monitored will increase. ***Cycle Time*** Cycle time for the review of Redevelopment Agency projects should improve as would the Division Manager's ability to oversee staff work and expedite automation projects.

	Positions	All Funds ($)	General Fund ($)
6. Public Works Administration Funding Alignment		**0**	**(25,483)**

This action will shift the funding for 0.16 filled Administrative Officer from the General Fund to the Public Works Program Support Fund. This shift will more effectively align resources with anticipated workload in 2007-2008. (Ongoing costs: $0)

Performance Results:
No changes to service levels are anticipated as a result of this action.

	Positions	All Funds ($)	General Fund ($)
2007-2008 Adopted Strategic Support Changes Total	**4.00**	**556,717**	**233,030**

Core Service: Strategic Support

Retirement Services Department

Performance and Resource Overview

Strategic Support represents services provided within departments that support and guide the provision of the core services. Strategic support within the Retirement Services Department includes:

Key Operational Services:

☐ Retirement Boards' Support
☐ Contract Administration
☐ Training

Strategic Support Resource Summary	2005-2006 Actual 1	2006-2007 Adopted 2	2006-2007 Forecast 3	2007-2008 Adopted 4	% Change (2 to 4)
Strategic Support Budget *					
Personal Services	$ 225,984	$ 223,382	$ 233,004	$ 233,004	4.3%
Non-Personal/Equipment	N/A	N/A	N/A	N/A	N/A
Total	**$ 225,984**	**223,382**	**$ 233,004**	**$ 233,004**	**4.3%**
Authorized Positions	**2.40**	**2.40**	**2.40**	**2.40**	**0.0%**

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds ($)	General Fund ($)
NONE			